

GROSVENOR ZIGGARY

NOV 2 1956

Bulletin

Vol. XXXV, No. 904

October 22, 1956

THE SUEZ QUESTION IN THE SECURITY COUNCIL

Statements by Secretary Dulles 611

Text of Resolution 616

CONSTANTINOPLE CONVENTION OF 1888 • *Text of*

*Convention Respecting the Free Navigation of the Suez
Maritime Canal Signed at Constantinople, October 29, 1888* . 617

U.S. ECONOMIC POLICY AND PROGRAMS IN THE

FAR EAST] • *by Howard P. Jones* 635

ADVANCING THE SECURITY OF THE FREE WORLD •

*Excerpts from the Tenth Semiannual Report on the Mutual
Security Program* 642

NOTICE OF INTENTION TO PARTICIPATE IN LIMITED TRADE AGREEMENT NEGOTIATIONS WITH CUBA

646

CORRESPONDENCE WITH U.S.S.R. ON PEACEFUL USES OF ATOMIC ENERGY

620

For index see inside back cover

OFFICIAL
WEEKLY RECORD

UNITED STATES
FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

VOL. XXXV, No. 904 • PUBLICATION 6406

October 22, 1956

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic \$7.50, foreign \$10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 19, 1955).

Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

The Suez Question in the Security Council

STATEMENT BY SECRETARY DULLES¹

As our general debate draws to a close, it is important to recall some fundamentals:

1. We are here dealing with a situation which endangers the maintenance of international peace and security. That is conceded by all concerned.

2. The nations of the world, and particularly and explicitly the 76 members of the United Nations, have conferred upon us, constituting this Council, the primary responsibility to maintain international peace and security.

3. We are obligated in discharging this duty to act in accordance with the purposes and principles of the United Nations and that means to bring about by peaceful means, and in conformity with the principles of justice and international law, the adjustment or settlement of this dangerous situation.

Our duty is clear. It is to seek by *peaceful* means a settlement in accordance with the principles of *justice and international law*. We have thus a two-phased responsibility: one aspect relates to peace; the other aspect relates to justice and conformity with law. Let us then consider these two aspects of our task.

Settlement by Peaceful Means

What are the possibilities of bringing about a settlement by peaceful means? These possibilities are good.

Nearly 21½ months have elapsed since on July 26 Egypt seized the Universal Suez Canal Company and physically prevented it from discharging the responsibilities which had been conferred upon it in 1868 to run until 1968.

¹ Made before the U.N. Security Council at New York on Oct. 9 (U.S./U.N. press release 2468). For a statement on Sept. 26 by Ambassador Henry Cabot Lodge, Jr., on the inscription of the Suez items on the Security Council agenda, see BULLETIN of Oct. 8, 1956, p. 560.

The nations which are deeply aggrieved and endangered by this action have made no forcible response. They have scrupulously lived up to their obligation, under the charter, to seek, first of all, a solution by negotiation or other peaceful means.

On August 1, 1956, just 4 days after the Canal Company seizure, the Governments of France, the United Kingdom, and the United States met together and decided that a solution should first of all be sought by a meeting together of the 24 nations principally concerned, including Egypt.² That was Peace Move No. 1.

From August 16 to 24, a conference was held. Egypt declined to attend. But there were represented all seven of the unquestionably surviving signatories of the Suez Canal Treaty of 1888, seven other countries which are the principal users of the canal, and another eight countries whose economies depend most largely upon the canal.

This conference produced an agreement by 18 of the 22 upon a formula for settlement which they believed should be acceptable both to Egypt and to the nations which were users of the canal or dependent thereon.³ That was Peace Move No. 2.

During that conference, a Committee of Five Nations was established, under the chairmanship of the Prime Minister of Australia [Robert G. Menzies], to communicate the views of the 18 to Egypt and to ascertain whether or not these views would be acceptable as a basis for negotiation. A meeting at Geneva was suggested. But the Government of Egypt indicated that it was not convenient for it to meet with the Committee except at Cairo. Accordingly, the Committee, consisting of one Prime Minister, three Foreign Ministers, and one Deputy for a Foreign Minister, traveled to Cairo in their quest for peace. That was Peace Move No. 3.

² *Ibid.*, Aug. 13, 1956, p. 259.

³ *Ibid.*, Aug. 27, 1956, p. 335, and Sept. 3, 1956, p. 371.

The Committee met in Cairo from September 3 to 9, presenting and explaining the proposal of the 18 nations. That was Peace Move No. 4.

At Cairo the Government of Egypt rejected the proposals of the 18, even as a basis for negotiation, and it made no counterproposal.⁴ Nevertheless, on September 19, the 18 nations again met to explore further the possibilities of peaceful adjustment. They reexamined and reaffirmed their August proposals as a fair basis for a peaceful solution of the Suez Canal problem, taking into account the interests of the user nations as well as those of Egypt.

But they went on to seek to create a practical means of cooperation with Egypt. They thought that, even though Egypt might not be willing at this time to agree upon a permanent solution, there might perhaps be some practical association between the users of the canal and the Egyptian Canal Authority. So they decided to set up a co-operative association which, acting as their agent, could deal with the Egyptian canal authorities in these practical matters.⁵ That was Peace Move No. 5.

Then the Governments of France and the United Kingdom acted to bring to the attention of this Council the situation with which we now deal. That was Peace Move No. 6.

Mr. President, in the light of this history no one, I think, can fairly question the peaceful desires of those who are aggrieved by the action of Egypt. Rarely, if ever in history, have comparable efforts been made to settle peacefully an issue of such dangerous proportions. This Council knows that it is not dealing with governments bent on the use of force. Even those most aggrieved have shown their desire to bring about a just solution by peaceful means.

Settlement in Conformity With Justice and International Law

Now, Mr. President, I turn to the second aspect of our problem—that is to find a solution which will conform to the principles of justice and of international law. And here also the way is clear.

Oftentimes we are confronted by situations as to which there is no relevant body of international law. But in the present situation there is a governing treaty, the convention of 1888. It provides

that for all time the vessels of all the nations shall have the right of free and equal passage through the Suez Canal. It calls for a “definite system destined to guarantee” such right of use, and it incorporates by reference the concession of 1868 to the Universal Suez Canal Company as providing such a system.

Much has been said about the need to respect the “sovereignty” of Egypt in relation to the canal.

Sovereignty exists where a nation can do whatever it wants. Generally speaking, a nation can do what it wants within its own territory. And generally speaking, no nation has any rights within the territory of another sovereign nation.

Now the Suez Canal, to be sure, goes through what is now Egypt, and in this sense the canal is “Egyptian.” But the canal is not, and never has been, a purely internal affair of Egypt with which Egypt could do what it wanted. The canal has always been, from the day of its opening, an international waterway dedicated to the free passage of the vessels of all nations. Its character as an international right-of-way was guaranteed for all time by the 1888 convention. Egypt cannot rightfully stop any vessel or cargo from going through the canal. And for those who use that right-of-way to combine to secure the observance of their rights is no violation of Egyptian sovereignty but a clear exercise of their rights accorded by international law, namely, by the convention of 1888.

Mr. President, Egypt has accepted this legal view and has indeed expounded it before this Council. I recall that on August 5, 1947, the representative of Egypt spoke here before this Security Council of the situation which existed when the United Kingdom had treaty rights in lands abutting on the canal. The Egyptian representative pointed out that this did not make freedom of passage dependent on the United Kingdom. In the course of his remarks, the Egyptian representative said:⁶

The status of the Suez Canal is quite different from that of other artificial waterways which serve as arteries of international communication for it is fixed by that multipartite international agreement to which I have just referred [the Constantinople Convention of 1888]. The Suez Canal was an international enterprise from the very beginning, and within a few years after it was opened all the principal powers of Europe joined with the Ottoman Empire, acting for Egypt, to regulate its traffic, its neutrality and its defense.

⁴ *Ibid.*, Sept. 24, 1956, p. 467.

⁵ *Ibid.*, Oct. 1, 1956, p. 503.

⁶ Security Council, 175th meeting, p. 1756.

And I underline the words of the Egyptian representative that under the convention of 1888 the nations organized to regulate the traffic of the canal.

On October 14, 1954, the representative of Egypt, again speaking before this Security Council in the *Bat Galim* case said:⁷

... The Canal company, which controls the passage, is an international company controlled by authorities who are neither Egyptian nor necessarily of any particular nationality. It is a universal company, it functions, and things will continue to be managed that way in future.

So spoke the representative of Egypt before this Council on October 14, 1954.

So much, Mr. President, for the law of the case.

Then there is the question of justice, which we are also required to bear in mind and to apply. What is the just thing to do? The Council should, I believe, in this matter give much weight to the conclusions of the 18 nations which joined in an expression of their views last August. The 18 included all but one of the clearly surviving signatories of the 1888 convention; they represented over 90 percent of the total traffic; and they represented countries whose economies are largely dependent upon the canal. Among the 18 were countries of Europe, Asia, Africa, Australasia, and America.

They affirmed that, as stated in the preamble of the convention of 1888, there should be established "a definite system destined to guarantee at all times, and for all the powers, the free use of the Suez Maritime Canal." That is the language of the preamble of the treaty.

They enunciated four basic principles which, with due regard to the sovereign rights of Egypt, should find expression through such a system. And I quote their statement of these four basic principles, Mr. Chairman:

a. Efficient and dependable operation, maintenance and development of the Canal as a free, open and secure international waterway in accordance with the principles of the Convention of 1888.

b. Insulation of the operation of the Canal from the influence of the politics of any nation.

c. A return to Egypt for the use of the Suez Canal which will be fair and equitable and increasing with enlargements of its capacity and greater use.

d. Canal tolls as low as is consistent with the foregoing requirements and, except for c. above, no profit.

Now, Mr. Chairman, how could anyone seriously

dispute these principles? And indeed only one of them was disputed at the August conference, and that was seriously disputed only by the Soviet Union. That was the second principle to which I have referred, namely, that the operation of the canal should be insulated from the influence of the politics of any nation.

But is not that the essence of the matter? Here we have an international waterway which, as the Egyptian Government has said, "was an international enterprise from the very beginning." The economies of a score or more of nations of Europe, Asia, and Africa are vitally dependent upon it. If such a waterway may be used as the instrument of national policy by any government—any government which physically controls it—then that canal is bound to be an international bone of contention. Then no nation depending on the canal can feel secure, for all but the controlling nation would be condemned to live under an economic "sword of Damocles." That would be to negate the 1888 convention and to violate both justice and law.

If, Mr. President, as the charter commands, we are to seek justice, we must agree that the operation of this international utility shall be insulated from the politics of any nation.

I believe that this Council can accept unhesitatingly the principles enunciated by the 18 nations as principles of justice.

Dealing Concurrently With Peace and Justice

Now the 18 then went on to indicate a mechanism by which these principles might be applied. They suggested institutional arrangements for cooperation between Egypt and other interested nations and the creation of a Suez Canal Board on which Egypt and others would be represented. This Board, they suggested, should be associated with, and make periodic reports to, the United Nations. They suggested that arbitration should be agreed upon to settle disputes and that there should be effective sanctions against violation of the arrangement.

There exist, of course, a great variety of means whereby the four basic principles stated by the 18 could be carried out. I do not suppose that any one of the 18 regards the particular mechanism suggested as sacrosanct. And I believe that this Council ought not close its mind to any alternative suggestions in this respect which might be made.

⁷ Security Council, 682d meeting, p. 31.

But so far as the basic principles are concerned, I do not see how they can be disregarded by this Council when it invokes, as it must, the principles of justice.

So, Mr. President, we see that the problem that we face is not a problem of restraining nations which are bellicose and which want war, for there are no such nations. Nor do we have the problem of creating a new body of international law, or of applying justice where the equities are confused. Peace is sought by all, and the principles of justice and of international law are clear. The problem we face is that of dealing concurrently with peace and justice, as is required by our charter.

No nation has more eloquently expressed the interconnection of peace and justice than has the Government of Egypt.

It will be recalled that our charter, as drafted at Dumbarton Oaks by three great powers, contained no reference to justice. It merely called for peace, a peace which presumably would, they hoped, be durable, not because it was a just peace but because presumably it would be enforced by the might of a few great powers.

But that concept was repudiated at San Francisco. There the interdependence of peace and justice was recognized and the first article of our charter was rewritten so as to require this organization to seek "to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace." The new words introduced, Mr. President, were those I emphasized in my remarks—the words "and in conformity with the principles of justice and international law." And the charter went on to require this Security Council, in discharging its primary responsibility in the maintenance of international peace and security, to act in accordance with the principles expressed in this article 1.

At San Francisco the nation which most ardently, most effectively, and most eloquently championed this interconnection of peace and justice was Egypt. I would like to quote at this point a passage from one of the statements then made by the representative of Egypt. He said:

We feel that the Council, the Security Council, will really play the part of the political court of law and it is indispensable that the principles of justice and law should always be present in its deliberations. The last argument with which we were confronted was that if we

asked the Security Council to respect justice and international law it might make the burden of the Organization heavier, and more particularly the burden of the powers which were mainly responsible for the maintenance of peace and security.

I believe (the Egyptian representative went on to say) that the adoption of our amendment would not be much as compared with the sacrifices we have all suffered and are all ready to suffer again for the sake of maintaining peace and security in the world. If we want to keep peace and security only, we would not differ much from Hitler, who was also trying to do that and who, as a matter of fact, partly succeeded. But where the difference lies is that we want to maintain peace and security in conformity with the principles of international law and justice.

So spoke the voice of Egypt, and with those sentiments we can, I think, all agree.

Importance of Suez Question

Mr. President and fellow members of the Council, it is difficult to exaggerate the importance of this proceeding. Our Council enjoys on the one hand a demonstrated desire for peace on the part of all the parties. On the other hand the situation is governed by principles of justice and of law such as are rarely evident. If, under these favorable conditions, with all of these assets, our Council finds itself impotent to secure a settlement by peaceful means in accordance with the principles of justice and international law, then our failure would be a calamity of immense proportions.

This seems to be recognized by those who have spoken around this table. And our general debate has on the whole been temperate and constructive.

I say "on the whole" for there have been exceptions. One such was the portrayal by the Soviet Foreign Minister [Dmitri T. Shepilov] of so-called "United States monopolies" clad, as he picturesquely put it, in "snow white robes" and with "whetted appetites" on the prowl throughout the world seeking new victims.

Another exception was the Soviet Foreign Minister's proposal that we should remit this problem to a committee to which the Soviet Foreign Minister said, and I quote from the English translation of his speech: "The most important requisite is that the composition of the committee be balanced in such a way as to forestall the prevalence of some one point of view." Now, he obviously believes it unfortunate that 18 nations, representing over 90 percent of the traffic and a diversified user interest, could agree on a solution. So he

wants to make a fresh start by establishing a committee which is so constituted that we can know in advance that it will never agree!

It is not without precedent that a government feels that it can gain by perpetuating controversy. We have a proverb about "fishing in troubled waters." But it is usually considered respectable to veil such purpose. Rarely has a scheme to perpetuate controversy been so candidly revealed.

The Government of Egypt, in a more constructive vein, has proposed that we establish a negotiating body which will have the guidance of an agreed set of principles to work on and have agreed objectives to keep in mind and to attain. This was indeed the procedure which we sought to follow at the London conference which was held last August where, as I have indicated, a set of principles was formulated and certain objectives were outlined. The heart of the problem, as I indicated, seems to me to be whether among these principles we can get acceptance of the principle that there should be a system to insure that the canal cannot be used by any country as an instrument of its distinctly national policy.

If Egypt accepts that simple and rudimentary principle of justice, then I believe that the subsidiary problems can be resolved. But if that principle be repudiated, then it is difficult to foresee a useful role for a negotiating body. Indeed, under those conditions it is difficult to foresee any settlement in accordance with the principles of justice and of international law.

And if this case cannot be so settled, then the whole system of peace with justice sought to be established by this charter will have been undermined.

Surely we can do better than that. I feel confident that no nation here desires other than friendly relations with Egypt. Indeed the settlement proposed by the user nations, representing over 90 percent of the traffic, will significantly promote the welfare of Egypt. A peaceful and equitable solution of this problem would open up a vista of new hope for an area of the world where the peoples have for long—for too long—been grievously oppressed by alarms of war and by the economic burdens of preparing for war. Also, we can open up a new hope for all humanity, which has begun, I fear, to lose confidence in the capacity of this organization to secure peace and justice.

When the choices before us are thus clearly seen, who can doubt what our choice will be?

Mr. President, the United Kingdom-French resolution embodies the basic principles to which we have referred. It will enable this Council to make a choice which we can confidently expect will preserve peace with justice. It will uphold the authority and the prestige of this organization.

Accordingly, as I said last Friday,^{*} the United States intends to vote for that resolution.

CLOSING STATEMENT BY SECRETARY DULLES

U.S./U.N. press release 2471 dated October 13

I wish first of all to express my gratification at the large measure of progress that was made during this week of Security Council activity. This Suez Canal problem is one of vast importance and of great complexity, and it easily arouses great emotion. It is a tribute to this Council and above all to the Foreign Ministers of Egypt, France, and the United Kingdom and to our Secretary-General that the problem has been considered here calmly and constructively and that important agreements have emerged.

We cannot expect a solution all at once. A solution comes only by stages, and, by agreeing upon the principles—the requirements—of a definitive settlement, an important stage has been passed. We can enter into the next stage with confidence.

The principles here agreed upon are realistic and concrete. They will permit the future proposals and conduct of the parties-in-interest in implementing them to be judged both by this Council and by the world. In my opening statement I spoke of the principles which governed a just solution of this problem. I emphasized one in particular, namely, that the operation of the canal should be insulated from the politics of any country. I said that, if that just principle were accepted, I believed the remaining problems could

^{*} Secretary Dulles made the following statement in the Security Council on Oct. 5 (U.S./U.N. press release 2465):

"Mr. President, I should like to postpone until a later date my own participation in this debate. However, I do at this point wish to make clear that the United States adheres to the position which it took at the first London conference last August as a party to the 18-nation proposals, and that the United States intends to vote for the resolution which has been introduced by the United Kingdom and France.

"Let me add that I welcome the suggestion of the United Kingdom for a restricted meeting of this Council after the general debate is concluded."

Text of U.K.-French Proposal^{*}

U.N. doc. S/3671 dated October 13

The Security Council,

Noting the declarations made before it and the accounts of the development of the exploratory conversations on the Suez question given by the Secretary-General of the United Nations and the Foreign Ministers of Egypt, France and the United Kingdom;

Agrees that any settlement of the Suez question should meet the following requirements:

- (1) there should be free and open transit through the Canal without discrimination, overt or covert—this covers both political and technical aspects;
- (2) the sovereignty of Egypt should be respected;
- (3) the operation of the Canal should be insulated from the politics of any country;
- (4) the manner of fixing tolls and charges should be decided by agreement between Egypt and the users;
- (5) a fair proportion of the dues should be allotted to development;
- (6) in case of disputes, unresolved affairs between the Suez Canal Company and the Egyptian Government should be settled by arbitration with suitable terms of reference and suitable provisions for the payment of sums found to be due;

Considers that the proposals of the Eighteen Powers correspond to the requirements set out above and are suitably designed to bring about a settlement of the Suez Canal question by peaceful means in conformity with justice;

Notes that the Egyptian Government, while declaring its readiness in the exploratory conversations to accept the principle of organized collaboration between an Egyptian Authority and the users, has not yet formulated sufficiently precise proposals to meet the requirements set out above;

Invites the Governments of Egypt, France and the United Kingdom to continue their interchanges and in this connexion *invites* the Egyptian Government to make known promptly its proposals for a system meeting the requirements set out above and providing guarantees to the users not less effective than those sought by the proposals of the Eighteen Powers;

Considers that pending the conclusion of an agreement for the definitive settlement of the regime of the Suez Canal on the basis of the requirements set out above, the Suez Canal Users' Association, which has been qualified to receive the dues payable by ships belonging to its members, and the competent Egyptian authorities, should co-operate to ensure the satisfactory operation of the Canal and free and open transit through the Canal in accordance with the 1888 Convention.

be resolved. That principle has been accepted, and I adhere to my belief that the remaining problems can be resolved.

I turn now to the resolution introduced by the Governments of France and the United Kingdom.

The first portion embodies the principles or requirements which have been agreed upon. From what was said here yesterday and what has been said here today, I believe that this portion of the resolution meets with our warm and complete acceptance.

Now, I should like to comment briefly on the balance of the resolution as to which certain questions have been raised.

The third paragraph characterizes the proposals of the 18 powers as being suitably designed to bring about a settlement in conformity with justice. I think, Mr. President, that that is an accurate and indeed conservative statement. Those proposals emerged last August out of a week of intensive study. I should like to read you the names of the 18 countries: Australia, Denmark, Ethiopia, France, Germany, Iran, Italy, Japan, the Netherlands, New Zealand, Norway, Pakistan, Portugal, Spain, Sweden, Turkey, the United Kingdom, and the United States.

Mr. President, this Council can, I think, confidently assume that proposals having this broad foundation, which includes countries whose nationals represent over 90 percent of the shipping through the canal, the countries whose pattern of traffic shows the greatest dependence on the canal, and countries of wide geographical and cultural distribution, must be reasonable.

Of course, the resolution does not suggest that the proposals of the 18 are the *only* proposals which could comply with the principles upon which we have agreed. No one has contended that.

^{*}An earlier draft resolution (U.N. doc. S/3666) was introduced in the Security Council by France and the U.K. on Oct. 5 but did not come to a vote. The above draft was submitted following private conversations between Secretary-General Dag Hammarskjöld and the Egyptian, French, and British Foreign Ministers.

In the voting on Oct. 13, the Council unanimously approved the first part of the proposal, which was later circulated as S/3675. A separate vote was taken on the remainder (beginning with the paragraph "*Considers* that the proposals . . ."); the U.S.S.R. vetoed this part, and Yugoslavia also cast a negative vote. A Yugoslav proposal introduced on Oct. 13 (S/3672) did not come to a vote.

In my opening statement I said there exists of course a great variety of means whereby the basic principles stated by the 18 could be carried out. I went on to say, "I believe that this Council ought not to close its mind to . . . alternative suggestions."

I think this viewpoint is clearly reflected by the language of the resolution, which, while pointing out the acceptability of the proposals of the 18, goes on to invite the Egyptian Government to submit alternative proposals which would equally accomplish the desired result. The resolution as it now stands, when read as a whole, makes quite clear that alternative proposals submitted by Egypt which would also meet these requirements would be equally acceptable.

We are, I am sure, all glad to have heard the declaration made earlier today by the distinguished Foreign Minister of Egypt [Mahmud Fawzi] that indeed certain concrete proposals have been made by Egypt in the course of the confidential exploratory talks. This fact should, I think, make more acceptable this portion of the resolution which invites Egypt to make precisely such proposals.

The last paragraph of the resolution deals with provisional measures. The Foreign Minister of the Soviet Union has suggested that because this matter is before the Council no provisional or interim measures are required. That, I think, is hardly logical. Our charter itself contemplates that provisional measures may be called for by the Council in relation to matters that are before it. In other words, the charter makes it quite clear that, simply because a case is pending before the Council, this does not exclude the need for interim arrangements. The Soviet Foreign Minister has suggested that the interim arrangements contemplated would involve the exercise by the users association of administrative powers in Egypt. That is not the case. What is contemplated is practical cooperation at the working level between the users and the competent Egyptian authorities.

It has also been suggested that the resolution would substitute the Suez Canal Users Association for the Egyptian authorities in the collection of dues. That is not the case. What is said is that the users association is in fact, as organized, qualified to act in respect of dues payable by ships belonging to its members. Whether these ships decide to pay to the association as their agent is for them and for their governments to decide. Neither

this Council nor the users association itself attempts any compulsory regime. Since, however, the users association already has a membership representing approximately 90 percent of the shipping, it can be a useful instrument for practical cooperation at the operating level while a definitive solution is being worked out.

Mr. President, there is nothing in the resolution which should be in the slightest degree offensive to Egypt or which is derogatory of Egypt or Egyptian sovereignty. As we read it, it represents an honest attempt to advance our pursuit of peace and justice through the next stage.

We attach particular importance to the invitation to the Governments of Egypt, France, and the United Kingdom to continue their interchanges. What has so far developed out of these interchanges held in the presence of the Secretary-General of the United Nations has already yielded important positive results. We believe that it is a procedure to be pursued.

For the reasons given, Mr. President, the United States intends to vote for the resolution as submitted by France and the United Kingdom.¹⁰

Constantinople Convention of 1838

Following is a text of the 1838 Convention Respecting the Free Navigation of the Suez Maritime Canal released by the U.N. Department of Public Information on September 25 (U.N. press release SC/1793).

CONVENTION RESPECTING THE FREE NAVIGATION OF THE SUEZ MARITIME CANAL

Signed at Constantinople, October 29, 1838.

In the Name of Almighty God, Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India; His Majesty the Emperor of Germany, King of Prussia; His Majesty the Emperor of Austria, King of Bohemia, etc., and Apostolic King of Hungary; His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom; the President of the French Republic; His Majesty the King of Italy; His Majesty the King of the Netherlands, Grand Duke of Luxemburg, etc.; His Majesty the Emperor of All the Russias; and His

¹⁰ For details of the vote, see footnote 9. After the voting, Secretary Dulles made the following statement:

"I regret that it has not been possible for the Council to agree on more than the principles, the requirements of a settlement. But that already is much. I think of course that it is understood that the Council remains seized of this matter and that the Secretary-General may continue to encourage interchanges between the governments of Egypt, France, and the United Kingdom, a procedure which has already yielded positive results."

Majesty the Emperor of the Ottomans; wishing to establish, by a Conventional Act, a definite system destined to guarantee at all times, and for all the powers, the free use of the Suez Maritime Canal, and thus to complete the system under which the navigation of this canal has been placed by the Firman of His Imperial Majesty the Sultan, dated the 22nd February, 1866 (2 Zilkádé, 1282) and sanctioning the concessions of His Highness the Khedive, have named as their Plenipotentiaries, that is to say:—

(Here follow the names.)

Who, having communicated to each other their respective full powers, found in good and due form, have agreed upon the following articles:

ARTICLE I

The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag.

Consequently, the high contracting parties agree not in any way to interfere with the free use of the canal, in time of war as in time of peace.

The canal shall never be subjected to the exercise of the right of blockade.

ARTICLE II

The high contracting parties, recognizing that the Fresh-Water Canal is indispensable to the Maritime Canal, take note of the engagements of His Highness the Khedive towards the Universal Suez Canal Company as regards the Fresh-Water Canal; which engagements are stipulated in a convention bearing date the 18th March, 1863, containing an *exposé* and four articles.

They undertake not to interfere in any way with the security of that canal and its branches, the working of which shall not be exposed to any attempt at obstruction.

ARTICLE III

The high contracting parties likewise undertake to respect the plant, establishments, buildings, and works of the Maritime Canal and of the Fresh-Water Canal.

ARTICLE IV

The Maritime Canal remaining open in time of war as a free passage, even to the ships of war of belligerents, according to the terms of article I of the present treaty, the high contracting parties agree that no right of war, no act of hostility, nor any act having for its object to obstruct the free navigation of the canal, shall be committed in the canal and its ports of access, as well as within a radius of three marine miles from those ports, even though the Ottoman Empire should be one of the belligerent powers.

Vessels of war of belligerents shall not revictual or take in stores in the canal and its ports of access, except in so far as may be strictly necessary. The transit of the aforesaid vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and without any other intermission

than that resulting from the necessities of the service.

Their stay at Port Said and in the roadstead of Suez shall not exceed 24 hours, except in case of distress. In such case they shall be bound to leave as soon as possible. An interval of 24 hours shall always elapse between the sailing of a belligerent ship from one of the ports of access and the departure of a ship belonging to the hostile power.

ARTICLE V

In time of war belligerent powers shall not disembark nor embark within the canal and its ports of access either troops, munitions, or materials of war. But in case of an accidental hindrance in the canal, men may be embarked or disembarked at the ports of access by detachments not exceeding 1,000 men, with a corresponding amount of war material.

ARTICLE VI

Prizes shall be subjected, in all respects, to the same rules as the vessels of war of belligerents.

ARTICLE VII

The powers shall not keep any vessel of war in the waters of the canal (including Lake Timsah and the Bitter Lakes).

Nevertheless, they may station vessels of war in the ports of access of Port Said and Suez, the number of which shall not exceed two for each power.

This right shall not be exercised by belligerents.

ARTICLE VIII

The agents in Egypt of the signatory powers of the present treaty shall be charged to watch over its execution. In case of any event threatening the security or the free passage of the canal, they shall meet on the summons of three of their number under the presidency of their Doyen, in order to proceed to the necessary verifications. They shall inform the Khedival government of the danger which they may have perceived, in order that that government may take proper steps to insure the protection and the free use of the canal. Under any circumstances, they shall meet once a year to take note of the due execution of the treaty.

The last mentioned meetings shall take place under the presidency of a special commissioner nominated for that purpose by the Imperial Ottoman government. A commissioner of the Khedive may also take part in the meeting, and may preside over it in case of the absence of the Ottoman commissioner.

They shall especially demand the suppression of any work or the dispersion of any assemblage on either bank of the canal, the object or effect of which might be to interfere with the liberty and the entire security of the navigation.

ARTICLE IX

The Egyptian government shall, within the limits of the powers resulting from the Firmans, and under the conditions provided for in the present treaty, take the necessary measures for insuring the execution of the said treaty.

In case the Egyptian government should not have suffi-

cient means at its disposal, it shall call upon the Imperial Ottoman government, which shall take the necessary measures to respond to such appeal; shall give notice thereof to the signatory powers of the Declaration of London of the 17th March, 1885; and shall, if necessary, concert with them on the subject.

The provisions of articles IV, V, VII, and VIII shall not interfere with the measures which shall be taken in virtue of the present article.

ARTICLE X

Similarly, the provisions of articles IV, V, VII, and VIII, shall not interfere with the measures which His Majesty the Sultan and His Majesty the Khedive, in the name of His Imperial Majesty, and within the limits of the Firmans granted, might find it necessary to take for securing by their own forces the defence of Egypt and the maintenance of public order.

In case His Imperial Majesty the Sultan, or His Highness the Khedive, should find it necessary to avail themselves of the exceptions for which this article provides, the signatory powers of the Declaration of London shall be notified thereof by the Imperial Ottoman government.

It is likewise understood that the provisions of the four articles aforesaid shall in no case occasion any obstacle to the measures which the Imperial Ottoman government may think it necessary to take in order to insure by its own forces the defence of its other possessions situated on the eastern coast of the Red Sea.

ARTICLE XI

The measures which shall be taken in the cases provided for by articles IX and X of the present treaty shall not interfere with the free use of the canal. In the same cases, the erection of permanent fortifications contrary to the provisions of article VIII is prohibited.

ARTICLE XII

The high contracting parties, by application of the principle of equality as regards the free use of the canal, a principle which forms one of the bases of the present treaty, agree that none of them shall endeavor to obtain with respect to the canal territorial or commercial advantages or privileges in any international arrangements which may be concluded. Moreover the rights of Turkey as the territorial power are reserved.

ARTICLE XIII

With the exception of the obligations expressly provided by the clauses of the present treaty, the sovereign rights of His Imperial Majesty the Sultan, and the rights and immunities of His Highness the Khedive, resulting from the Firmans, are in no way affected.

ARTICLE XIV

The high contracting parties agree that the engagements resulting from the present treaty shall not be limited by the duration of the acts of concession of the Universal Suez Canal Company.

ARTICLE XV

The stipulations of the present treaty shall not interfere with the sanitary measures in force in Egypt.

ARTICLE XVI

The high contracting parties undertake to bring the present treaty to the knowledge of the states which have not signed it, inviting them to accede to it.

ARTICLE XVII

The present treaty shall be ratified, and the ratifications shall be exchanged at Constantinople within the space of one month, or sooner if possible.

In faith of which the respective plenipotentiaries have signed the present treaty, and have affixed to it the seal of their arms.

Done at Constantinople, the 29th day of the month of October, in the year 1888.

For Great Britain	—	SIR WILLIAM ARTHUR WHITE
Germany	—	JOSEPH DE RADOWITZ
Austria-Hungary	—	HENRY, BARON DE CALICE
Spain	—	MIGUEL FLOREZ Y GARCIA
France	—	GUSTAVE LOUIS LANNES, COUNT DE MONTEBELLO
Italy	—	ALBERT, BARON BLANC
Netherlands	—	GUSTAVE KEUN
Russia	—	ALEXANDRE DE NÉLIDOW
Turkey	—	MOHAMMED SAID PASHA

Large Tankers To Be Built for Oil Transportation

Memorandum by the President¹

OCTOBER 12, 1956

I appreciate receiving a report from you stating that it would be possible under the authority of the Defense Production Act for the Government to enter into contractual arrangements with United States ship yard owners for the construction of large tankers—up to the total called for by the Government's full emergency requirements—with the understanding that the Government would acquire these tankers in those cases where private ship owners did not purchase them.

I am directing, therefore, that you take steps immediately to bring together representatives of the National Petroleum Council to meet with the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Secretary of the Interior, and the Secretary of Commerce, to consider plans that will be helpful in assuring the efficiency

¹Addressed to Arthur S. Flemming, Director of the Office of Defense Mobilization (White House press release dated Oct. 12).

and adequacy of the distribution of petroleum supplies in the foreseeable future in the free world.

These plans should, so far as the interests of the United States are thereby served, provide for the building in United States ship yards of a sufficient number of large tankers to help supplement existing means of distribution and, if necessary, to help serve as an alternative in the transportation of oil in the free world, particularly from the Middle East. The Government's commitments in these regards should be limited as indicated in the first paragraph above. In addition, the Federal Government might, whenever necessary, provide funds for rehabilitation and modification of

American ship yards so long as these projects can be undertaken on a self-liquidating basis.

The study should proceed, of course, on the assumption that plans which are developed are to be consistent with the requests that you have made to oil importers to voluntarily keep imports of crude oil into this country at a level where they do not exceed significantly the proportion that imports bore to the production of domestic crude oil in 1954.

The results of these deliberations should be reported to me as soon as practicable.

DWIGHT D. EISENHOWER

Correspondence With U.S.S.R. on Peaceful Uses of Atomic Energy

Press release 527 dated October 6

An exchange of correspondence between the United States and the Union of Soviet Socialist Republics on the subject of the peaceful uses of atomic energy was released on October 6, 1956. This exchange supplements the publication of documents exchanged between the two Governments during the course of negotiations concerning President Eisenhower's proposals before the U.N. General Assembly on December 8, 1953.¹

In response to the President's proposal for establishment of an International Atomic Energy Agency, the Union of Soviet Socialist Republics at first refused to participate, advancing the argument (in notes of April 27, September 22, and November 29, 1954) that the peaceful use of fissionable material leads to the production of more fissionable materials and thus to an increase in the production and stocks of atomic weapons.

The United States pointed out that this was a problem of grave concern but that diversion of materials from peaceful to military uses could be avoided by appropriate safeguards. In its note of April 14, 1955, the United States suggested the joint study of safeguards against diversion of materials to military uses.

Following the atoms-for-peace conference at

Geneva, a meeting of experts of six nations, including the Union of Soviet Socialist Republics, was held to consider the technical aspects of guaranteeing the peaceful use of atomic energy. Subsequent to this meeting, the Union of Soviet Socialist Republics stated in a note of October 1, 1955, that it would be necessary to insert in the charter of the proposed agency a provision concerning control of materials to prevent their use for other than peaceful purposes. The Union of Soviet Socialist Republics also stated that, in view of the necessity for control, the agency should have a staff of inspectors to verify the use of fissionable and other materials and of special equipment received from the agency. The draft under consideration at the conference now in progress in New York contains such provisions.

In order to safeguard against the diversion to military use of material provided bilaterally, as well as that provided through the agency, the United States proposed, on June 1, 1956, that discussions be held as to the possibility of standardizing the safeguards which the United States and the Union of Soviet Socialist Republics as principal suppliers of material would seek to include in agreements covering bilateral transfers. Furthermore, the United States was concerned, as stated in its aide memoire of August 15, 1956, that adequate safeguarding measures might not be taken in the period before the agency could commence operations. In its own bilateral agreements the

¹ For texts of the earlier documents, exchanged between Jan. 11 and Sept. 23, 1954, see *BULLETIN* of Oct. 4, 1954, p. 478.

United States has, with the concurrence of the other parties to the agreements, provided for safeguards modeled on those of the proposed statute of the agency.

In its aide memoire of September 24, the Union of Soviet Socialist Republics states that it has no objection to the U.S. proposal for a study of the possibility of standardizing safeguards. The Union of Soviet Socialist Republics suggests that this question be considered with the participation of the nations represented at the current international agency conference, as well as other interested nations.

Safeguards in U.S. bilateral agreements are, of course, a matter of joint consent by the parties to the agreements, and the United States agrees that the question of standardizing safeguards in bilateral agreements should be discussed with nations interested in such agreements. In the view of the United States it would also be useful for preliminary discussions, of the type held among the six nations participating in the August 1955 talks at Geneva, to be continued among states in a position to supply materials, equipment, and services for peaceful atomic development.

The United States continues to believe that uniformity of safeguards is essential in the interest of states receiving assistance, as they would otherwise be without the protection afforded them by a comprehensive safeguard system. Accordingly, the United States continues to believe that discussion of this matter would be useful.

The texts of the documents follow.

U. S. NOTE OF NOVEMBER 3, 1954³

The Government of the United States has considered the aide-mémoire of September 22 delivered by the Soviet Government and wishes to make the following comments:

1. The Government of the United States notes with satisfaction that the Soviet Government is now willing to continue the negotiations concerning the peaceful uses of atomic energy which followed upon President Eisenhower's proposal of last December 8.

2. The Government of the United States has taken note of the "important principles" which the Soviet Government states must not be over-looked in considering this question of international cooperation in the field of peaceful uses of atomic energy. The Government of the United

States is prepared to discuss these principles and their application to an agreement between nations to establish an agency to foster the peaceful uses of atomic energy as well as their application to the operations of such an agency.

3. In its aide-mémoire of September 22, the Soviet Government states that it wishes not only to continue the negotiations on the President's plan for the peaceful uses of atomic energy, but also to continue examination of its proposal of a preliminary ban on the use of atomic weapons. However, since the delivery of this aide-mémoire of September 22, the Soviet Government has appeared to recede from its former position in the United Nations disarmament negotiations that such a ban must precede any useful planning for an international weapons control system. Under these circumstances the Government of the United States assumes that the Soviet Government has modified its earlier position that agreement on a ban on the use of atomic weapons is a necessary condition precedent to useful discussion and agreement in the matter of international cooperation on the peaceful uses of atomic energy.

4. As the Government of the United States has stressed throughout these negotiations, the President's proposal of last December 8 was not a disarmament plan. It was a definite step in international cooperation to bring the benefits of atomic energy to the peoples of the world. It was also an expression of America's sincere desire for a new international climate in which the problems of disarmament might find a readier solution. It is hoped that participation by the Soviet Government in implementing the President's proposal will, by the same token, be a demonstration of its real interest in changing the present atmosphere of mutual distrust.

The Government of the United States believes that the cause of international harmony can be substantially advanced by cooperative efforts to foster the peaceful uses of atomic energy, such efforts to parallel the continuing negotiations looking to the establishment of a general and safeguarded disarmament program. The cause of humanity can only be prejudiced by deferring the international development of the peaceful uses of atomic energy until the immensely difficult problems of disarmament are solved.

5. The Government of the United States notes that the Soviet Government's aide-mémoire refers to the question of the possibility of diversion of fissionable material from power-producing atomic installations. The Government of the United States suggests that a good starting point at this stage of the United States-Soviet negotiations would be a mutual study of this problem and suggests that it be examined by experts from the Union of Soviet Socialist Republics and the United States. It would be agreeable to the Government of the United States for such discussions to take place at an early date either in the United States or in the Union of Soviet Socialist Republics or in some third country. If this is acceptable to the Soviet Government, the time and place of such a meeting could be arranged at short notice.

6. It is noted that the Soviet Government is ready to examine with the Government of the United States the opinion of the Government of the United States that there

³ Handed by Secretary Dulles to Soviet Ambassador Georgi Zaroubin.

are forms of peaceful utilization of atomic energy in which there is no need for weapons-grade material. Such applications of atomic energy will be considered by the international conference which the Government of the United States has proposed that the United Nations convene next year. It is suggested that participation by leading Soviet atomic scientists and engineers in the work of this conference will make clear the basis for the belief of the Government of the United States that applications of atomic energy which do not require weapons-grade material can be of great benefit to mankind.

7. The Soviet Government refers to proposals by it regarding the peaceful uses of atomic energy. The Government of the United States will be glad to learn the details of the proposals of the Soviet Government and the extent to which it is prepared to cooperate with other nations in fostering the development of the peaceful uses of atomic energy.

8. The Government of the United States proposes that this note and further negotiations between the Government of the United States and the Soviet Government on this matter of implementing the President's proposal should proceed in private since confidential negotiations offer the best prospect of a fruitful exchange of views at this time.

WASHINGTON, November 3, 1954.

SOVIET AIDE MEMOIRE OF NOVEMBER 29, 1954¹

The Soviet Government, having considered the memorandum of the United States Government of November 3 which is in answer to the aide-mémoire of the Government of the Union of Soviet Socialist Republics of September 22 of this year, considers it necessary to state the following:

In the aide-mémoire of the Soviet Government of September 22 of this year it was pointed out that agreement of positions between the United States of America and the Soviet Union on a number of substantive questions regarding the use of atomic energy has important significance for the achievement of international agreement on the utilization of atomic energy for peaceful purposes. At the same time the Soviet Government drew the attention of the Government of the United States of America to certain important principles which must be taken into account in considering the question of international cooperation in the field of peaceful utilization of atomic energy.

In this connection it was pointed out that an important prerequisite of the international agreement under reference is the recognition that such agreement must not place any country or group of countries in a privileged position whereby this country or group of countries could enforce its will on other states.

In its aide-mémoire the Soviet Government drew the attention of the Government of the United States of

America also to the fact that an international organ which can be created on the basis of an appropriate agreement between states will only successfully discharge its functions if this organ is not used to the detriment of the security of some or other states. At the same time the Soviet Government stated that it shares the opinion of the Government of the United States of America, expressed in its memorandum of March 19 of this year, to the effect that the appropriate international organ "should submit reports to the UN Security Council and General Assembly."

In its memorandum of November 3 of this year, the Government of the United States stated that it is ready to discuss important principles under reference which were advanced by the Soviet Government in its aide-mémoire of September 22 and the application of these principles to the agreement regarding the creation of an international organ on peaceful use of atomic energy as well as their application to the activity of such organ.

It must, however, be noted that the proposal introduced by the United States jointly with six other states at the Ninth Session of the General Assembly of the United Nations² is in contradiction with the above-mentioned principles inasmuch as it contemplates the formation of an international organ not as an organ of the UN responsible to the General Assembly and in appropriate instances to the Security Council but as a specialized institution not obliged to report to the UN. In view of this, the Government of the Union of Soviet Socialist Republics assumes that the Government of the United States of America will take steps to eliminate the above-mentioned contradiction in the position of the United States.

In its memorandum the Government of the United States of America expressed the opinion asserting that the Soviet Government had changed its previous position on the question concerning the prohibition of use of atomic weapons since it did not bring up the question that agreement concerning prohibition of atomic weapons should precede agreement on the question of international cooperation in the field of peaceful utilization of atomic energy.

In connection with this the Soviet Government considers it necessary to state that, as before, it proceeds from the premise that only conclusion of international agreement on the unconditional prohibition of atomic weapons is capable of insuring wide international cooperation in the field of peaceful utilization of atomic energy and of elimination of threat of atomic war.

As an important step on the path toward the full elimination of atomic, hydrogen, and other weapons of mass destruction from armaments of states together with the establishment of strict international control, the Soviet Government has proposed and proposes that states par-

¹ Draft resolution proposed by the United States, Australia, Belgium, Canada, France, the Union of South Africa, and the United Kingdom (U.N. doc. A/C.1/L.105, Nov. 6, 1954). A revised draft proposed by the same countries (U.N. doc. A/C.1/L.105/Rev. 1, Nov. 18, 1954) was adopted unanimously by the General Assembly on Dec. 4, 1954; for text, see BULLETIN of Dec. 13, 1954, p. 919.

² Handed by Foreign Minister Vyacheslav Molotov to the American Chargé d'Affaires at Moscow, Walter N. Walmsley, Jr.

participating in the agreement assume a solemn and unconditional pledge not to use atomic, hydrogen, and other types of weapons of mass destruction.

In the course of the discussion in the United Nations of the question concerning the prohibition of atomic weapons and also in the course of negotiations which have taken place between the Union of Soviet Socialist Republics and the United States of America on the atomic problem, it has become clear that the principal obstacle to the achievement of the above-mentioned agreement is the position of the United States of America which refuses to accept the above-mentioned proposal of the Soviet Government.

Taking this circumstance into account and striving to facilitate the achievement of this agreement on international cooperation in the field of peaceful use of atomic energy, the Soviet Government expressed agreement with the proposal that negotiations on above-mentioned international cooperation should not have as a precondition prior achievement of an agreement regarding unconditional renunciation by states of the use of atomic and other types of weapons of mass destruction. In this the Soviet Government proceeds from the fact that both the question of prohibiting atomic weapons and the question of reducing armaments of the conventional type are being considered in the United Nations. The position of the Soviet Government on this question is expressed in its proposals introduced for the consideration of the General Assembly on September 30 of this year.⁵

The Soviet Government considers it necessary to remind the Government of the United States that in its aide-mémoire of April 27 and September 22 of this year it drew the attention of the Government of the United States of America to the fact that the very utilization of atomic energy for peaceful purposes is connected with the possibility of increasing the quantity of fissionable materials which serve as the basis for the production of atomic weapons which inevitably leads to increase in the scale of production of atomic weapons and to increase in stocks of them.

The Government of the United States of America, in its memorandum of November 3, proposed that the above-mentioned problem should be jointly studied by experts of the Union of the Soviet Socialist Republics and the United States of America.

The Soviet Government does not object to the joint study of this problem by experts of the Union of the Soviet Socialist Republics and the United States of America. As regards the place and time of the conference of experts, it is the opinion of the Soviet Government that this question will not meet with difficulties once agreement on the program of work of the experts has been reached.

The Soviet Government expresses agreement with the proposal of the Government of the United States of America that further negotiations on the question of international cooperation in the field of peaceful use of atomic energy be confidential.

Moscow, November 29, 1954.

⁵ For text, see *ibid.*, Oct. 25, 1954, p. 625.

U.S. NOTE OF APRIL 14, 1955⁶

The Government of the United States has considered the aide-mémoire of November 29, 1954, delivered by the Soviet Government and wishes to state the following:

1. The Government of the United States notes that the Soviet Government agrees that negotiations looking to international cooperation in the development of peaceful uses of atomic energy can be fruitful without any prior commitment by the nations concerned to renounce the use of weapons.

2. The Government of the United States repeats the assurance contained in its note of November 3, 1954, that it is willing to discuss the "principles" which the Soviet Government, in its aide-mémoire of September 22, 1954, and November 29, 1954, states that it considers important in the establishment and operation of an international agency for the development of the peaceful uses of atomic energy. However, the willingness of the Government of the United States to discuss these principles should not be taken to mean that the Government of the United States in advance of such discussion has accepted these principles, as the Soviet Government apparently assumes in its statements in the sixth paragraph of its aide-mémoire of November 29, 1954. It is suggested that the receipt of the specific comments of the Soviet Government on the outline of the objectives and functions of an international agency, submitted by the Government of the United States on March 19, 1954, would present a good opportunity for discussion of the aforementioned "principles" as they might apply to the actual organization and work of an agency for the development of the peaceful uses of atomic energy.

3. The Government of the United States believes, as it stated in its memorandum of July 9, 1954, that the nations most advanced in knowledge regarding the constructive uses of atomic energy have an obligation to make this knowledge available under appropriate conditions, for promoting the welfare of peoples generally. Accordingly, negotiations have been initiated, as the Soviet Government is aware, among the eight other nations "principally involved," looking toward the establishment of an international atomic energy agency. Pending further concrete indications of interest on the part of the Soviet Government in participating in the work of this proposed agency, negotiations will continue among these eight nations. Drafting of an agreement to establish such an agency is now under way. A copy of such draft agreement when completed will be furnished the Soviet Government upon request.

4. Encouraged by the recent affirmative vote by the Soviet Government in the United Nations General Assembly on the resolution concerning the "Atoms for Peace" program, the Government of the United States wishes to renew President Eisenhower's proposal of December 8, 1953, to the Soviet Government that the powers principally involved begin now and continue to make joint contributions from their stockpiles of normal uranium and fissionable materials to an international atomic energy agency.

⁶ Handed by Livingston Merchant, Assistant Secretary for European Affairs, to Ambassador Zaroubin.

With material support for the agency by the Soviet Government, in addition to the support already announced by the Government of the United States and the Government of the United Kingdom, an international pool of fissionable material could be established in the near future which would provide a basis for encouraging the use of this material for the peaceful applications of atomic energy. In this event, the international atomic energy agency would be made responsible for the storage and protection of the contributed fissionable material and other atomic materials.

5. The Government of the United States notes that the Soviet Government does not object to a joint study by experts of the two nations of the problem of guarding against possible diversion of fissionable material from power-producing atomic installations and that the Soviet Government is of the opinion that the place and time of such a conference can be set without difficulty once agreement on an agenda has been reached. Attached to this note is a proposed agenda for such a meeting of experts. If this agenda is acceptable to the Soviet Government, the Government of the United States would be prepared to commence discussions on these topics at any time after May 1, and would be pleased to receive a Soviet delegation in Washington, D. C.

WASHINGTON, April 14, 1955.

[Enclosure]

AGENDA PROPOSED BY THE UNITED STATES FOR A MEETING
OF UNITED STATES AND SOVIET EXPERTS

Safeguarding Peaceful Uses of Atomic Energy

To discuss the safeguards required for the following peaceful uses of atomic energy under the auspices of an international atomic energy agency:

1. Research and Development

- a. Reactors for production of radioisotopes for use in science, medicine, agriculture, and industry.
- b. Reactors to provide neutron irradiations for scientific research and for testing materials and components for power reactors.
- c. Reactors as pilot plants for the development and demonstration of economic atomic power.

2. Large-Scale Utilization of Atomic Power

- a. Power reactors using as fuel either natural uranium or uranium partially enriched in U-235, but not containing thorium.
- b. Power reactors using as fuel either plutonium, U-233, or uranium highly enriched in U-235, but not containing thorium or significant amounts of U-238.
- c. Reactors containing the fertile materials U-238 or thorium for the specific purpose of producing fissionable material in addition to power.

Safeguards are to be considered in relation to:

1. The design and construction of reactors;
2. Allocation and preparation of critical materials;
3. Operation of reactors; and
4. Processing of irradiated materials.

SOVIET MEMORANDUM OF JULY 18, 1955

In connection with the memorandum of the United States Government of April 14, 1955, the Soviet Government considers it necessary to state the following:

1. The Soviet Government, guided by the desire to guarantee utilization of atomic energy only for peaceful purposes, stands for the development of international cooperation in this field. In this connection it declares its readiness to participate in negotiations on the creation of an international agency for peaceful utilization of atomic energy. For its part the Soviet Government would consider it expedient to examine now together with the Government of the United States of America and other interested countries concrete questions concerning the creation of such an agency, including its problems and functions.

The Soviet Government expresses its readiness to deposit into an international fund for atomic materials under an international agency for atomic energy 50 kilograms of fissionable materials, as soon as agreement has been reached on the creation of such an agency.

The Government of the Union of Soviet Socialist Republics considers it necessary to note in this connection that, as it has already pointed out, questions of development of international cooperation in the field of peaceful utilization of atomic energy are directly dependent on solution of the problem of the reduction of armaments and banning of atomic weapons. Conclusion of an international agreement on full banning of atomic weapons would facilitate weakening of international tension, strengthening of mutual trust between states, averting the threat of atomic war, and would eliminate obstacles to the broadest and most fruitful international cooperation in the field of peaceful use of atomic energy. In examining this situation the Soviet Government brought to the attention of the United Nations subcommittee on disarmament on May 10 of this year a proposal aimed at prohibiting the use and production of atomic weapons and all other forms of weapons of mass destruction and a conversion of existing stock piles of atomic weapons to peaceful purposes.¹

2. In its memorandum of April 14, the Government of the United States of America expressed hope that the Soviet Government would comment on those proposals of the United States concerning aims and functions of an international agency which were set forth in a memorandum of the Government of the United States of America of March 19, 1954.

The Soviet Government considers that an international agency for the peaceful uses of atomic energy must be organized in accordance with the following basic principles:

- (1) All states so desiring can join the agency.
- (2) Agreement on creation of such an agency must not place any country whatsoever or group of countries in a privileged position.
- (3) In rendering aid to any government whatsoever

¹ For text, see BULLETIN of May 30, 1955, p. 900.

the agency must not condition that aid on requirements of political or military character.

(4) The agency must not be utilized to the detriment of the security of these or other states.

(5) The agency is created in the framework of the United Nations. The agency must report to the Security Council of the United Nations and General Assembly whenever this is requested by either of these organs. The agency must also consult and cooperate with other United Nations organs whose work might bear on the work of the agency.

(6) The agency carries out its activity of giving aid to states in the field of peaceful use of atomic energy on the following basis:

A. The agency renders to states aid of a consultative character in the field of peaceful use of atomic energy.

B. Fissionable materials and special equipment are made available by states rendering aid directly to requesting states on the basis of agreements between the interested states concluded with participation of the agency.

Responsibility for safekeeping and utilization of fissionable materials received will be borne by requesting state in accordance with agreement concluded.

C. The agency encourages the exchange of scientific and technical information among countries and will bear responsibility for the broad dissemination of data which it has at its disposal. For this purpose the agency will create scientific research institutions and will maintain a group of specialists in the field of peaceful use of atomic energy who will render necessary assistance to states in this field.

The agency renders cooperation and assistance to states in preparation of national cadres of specialists in the field of peaceful use of atomic energy.

3. The Government of the United States of America in its memorandum raises the question of undertaking a joint study by experts of both countries of problems arising from the fact that the very application of atomic energy for peaceful purposes is connected with the possibility of increasing the quantity of fissionable materials which serve as the basis for the production of atomic weapons. The Soviet Government confirms its agreement to the calling of such a conference of experts and declares that it has no reservation on the agenda for such a conference which was contained in the memorandum of the Government of the United States of America. It considers that it would be expedient to hold such a conference in Geneva directly upon completion of the work of the international scientific technical conference on the peaceful uses of atomic energy called for August 8 in Geneva.

4. In connection with the declaration contained in the memorandum of the Government of the United States concerning rendering of assistance to other states in the field of peaceful use of atomic energy, the Soviet Government considers it necessary to note the following:

The Soviet Union is rendering technical and productive assistance to a series of states in the creation of scientific-

experimental bases for the development of research in the field of atomic physics and the utilization of atomic energy for peaceful purposes and preparation of scientific workers and engineers in the field of atomic physics, radio chemistry, application of isotopes in science and technology and also in the field of technology and atomic furnaces and cyclotrons. The Soviet Government declares that it intends to broaden the circle of states with which the USSR will cooperate and assist in the field of the utilization of atomic energy for peaceful purposes.

The Soviet Government would like to have the opinion of the Government of the United States on the foregoing. Moscow, 18 July 1955.

U.S. NOTE OF JULY 29, 1955^a

The Government of the United States has considered the memorandum of the Soviet Government dated July 18, 1955, and has the following comments to make:

1. The Government of the United States is pleased to note the readiness of the Soviet Government to deposit 50 kilograms of fissionable material into an international fund under an international atomic energy agency—the deposit to be made when agreement has been reached on the creation of such an agency.

2. The Government of the United States notes that the Soviet Government is now willing to participate in negotiations on the creation of an international atomic energy agency. As pointed out in the United States note of April 14, 1955, the United States and other countries principally involved have been developing a draft statute for such an international agency. A copy is attached.^b This draft is now under confidential study by the other nations principally involved. It is planned to submit a draft statute to all nations qualified to join such an agency when such study has been completed. The attached draft reflects current views as to the desirable nature of such an agency and covers various points made in the negotiations between the other nations principally involved since March 19, 1954. Comments of the Soviet Government on such draft would be welcome. It is hoped that the Soviet Union will be one of the states sponsoring such international agency.

3. The Government of the United States notes the statement in the Soviet memorandum of July 18, 1955, that questions of the development of international cooperation in the field of peaceful utilization of atomic energy are directly dependent on the solution of the problems of reduction of armaments and the banning of atomic weapons. The Government of the United States hopes that

^a Handed by the Acting Assistant Secretary for European Affairs, Walworth Barbour, to the Soviet Chargé d'Affaires, Sergei R. Striganov.

^b Not printed here. Substantially the same as the text printed in the BULLETIN of Oct. 24, 1955, p. 666, except that the latter text incorporates the changes referred to in the note of Aug. 17, 1955, from the Department of State to the Soviet Embassy (see below).

the Soviet Government by this statement is not reverting to its earlier position that the establishment of an international atomic energy agency must be preceded by an agreement to ban the use of nuclear weapons. It is the understanding of the Government of the United States, as set out in its note of November 3, 1954, that the Soviet Government no longer insists on such a condition. It is believed that the peaceful uses of atomic energy should not be withheld from the peoples of the world pending solution of difficult disarmament problems.

4. The Government of the United States notes the acceptance by the Soviet Government of the United States agenda (attached to the United States note of April 14, 1955) for a joint study of the problems involved in safeguarding the peaceful uses of atomic energy. In view of their special competence in this field it is suggested that experts from the United Kingdom and Canada be invited to participate in such technical meeting. Early views of the Soviet Government on this point are requested.

A preliminary meeting of experts at Geneva following the United Nations International Conference on the Peaceful Uses of Atomic Energy is agreeable to the Government of the United States. In view of competing demands on the time of these experts, it is suggested that such preliminary meeting last no longer than five days. If additional time is required, a second meeting can be called at a mutually agreeable time and place.

WASHINGTON, July 29, 1955.

U.S. NOTE OF AUGUST 12, 1955

The Government of the United States refers to its note to the Soviet Government dated July 29, 1955, which made reference to the acceptance by the Soviet Government of the United States agenda for a joint study of the problems involved in safeguarding the peaceful uses of atomic energy.

In the United States note it was suggested that, in view of their special competence in this field, experts from the United Kingdom and Canada be invited to participate in such technical meeting. The Government of the United States believes that experts from France could make a valuable contribution to such a discussion and proposes that they also be invited to participate.

The Government of the United States believes that the technical meeting to be held in Geneva will undoubtedly become known. It is suggested that a joint communique be agreed on for issuance shortly in advance of the convening of the meeting. The following text is proposed for the consideration of the Soviet Government:

"At the conclusion of the United Nations Conference on Peaceful Uses of Atomic Energy, experts from Canada, France, the United Kingdom, the United States, and the USSR will meet in Geneva for a few days to discuss technical aspects of safeguarding the peaceful uses of atomic energy. The technical working group will meet in private."

In order that arrangements for the technical meeting

may proceed without delay, an early statement of the views of the Soviet Government on the points raised in this note and in the note of July 29, 1955, is requested. It is suggested that the Soviet Government may wish to designate a representative now on its Delegation to the United Nations Conference on Peaceful Uses of Atomic Energy to commence discussion in Geneva with Mr. Gerard C. Smith and Mr. John Hall of the United States Delegation concerning arrangements for the subsequent private technical talks.

WASHINGTON, August 12, 1955.

SOVIET MEMORANDUM OF AUGUST 13, 1955

In connection with the note of the Government of the United States of America of July 29, 1955, containing the reply to the memorandum of the Soviet Government of July 18, 1955, the Soviet Government states that the draft statute of an international agency for atomic energy received with the above-mentioned note will be given proper study by the Soviet Government. The views of the Soviet Government on this draft will be communicated to the Government of the United States of America.

The Soviet Government expresses its agreement with the proposal of the Government of the United States of America concerning the time of convening and the duration of the work of the conference of experts of both countries for joint examination of problems arising from the fact that every application of atomic energy for peaceful purposes is connected with the possibility of increasing the quantity of fissionable materials which serve as a basis for the production of atomic weapons.

As for the question raised in the note concerning the participation of experts of other countries in the above-mentioned conference, the Soviet Government considers it expedient that, together with experts of the United Kingdom and Canada, experts from Czechoslovakia should participate in the conference in connection with their particular competence in questions subject to examination at that conference.

Moscow, August 13, 1955.

U.S. NOTE OF AUGUST 17, 1955

The Government of the United States refers to the memorandum of the Soviet Government dated August 13, 1955, and notes that the Soviet Government is giving study to the draft statute of an international atomic energy agency transmitted with the note of the Government of the United States dated July 29, 1955. The Government of the United States will be pleased to receive the views of the Soviet Government on this draft.

Pursuant to suggestions advanced during discussions at the Ninth General Assembly of the United Nations, the Government of the United States, which together with other governments principally involved has developed the draft statute, considers that a stage has been reached at which it is appropriate to solicit the views of other states.

It is planned that, on or shortly after August 22, copies of the draft statute will be transmitted on a confidential basis to all states members of the United Nations or of its specialized agencies in order that they may express their views. The draft to be made available to such other governments will differ from the statute transmitted to the Soviet Government on July 29 in the following two respects:

a. Article VII (A) 2 will be amended to provide that *five*, rather than four, states which are principal producers and contributors of raw materials will be selected for the Board of Governors in category 2; and

b. Annex II will list the names of the states proposed for inclusion on the first Board of Governors in categories 1 and 2. A copy of the draft Annex II as it will be distributed is attached to this note.

With regard to the question of participation in the meeting of experts to be convened in Geneva on August 22, the Government of the United States accepts the suggestion of the Soviet Government that experts from Czechoslovakia also participate. The Government of the United States refers to its proposal in a note dated August 12, 1955, that experts from France be invited, and requests an early statement of the views of the Soviet Government on this proposal and the other proposals relating to arrangements for the technical meeting raised in its note of August 12.

WASHINGTON, August 17, 1955.

[Enclosure]

REVISED DRAFT OF ANNEX II OF THE PROPOSED STATUTE OF
AN INTERNATIONAL ATOMIC ENERGY AGENCY

In accordance with the principles set forth in Article VII, paragraph A, the First Board of Governors shall be constituted as follows:

1. The five members of the Board under Article VII, paragraph A-1, shall be Canada, France, USSR, United Kingdom, United States.
2. The five other members of the Board under Article VII, paragraph A-2, shall be Australia, Belgium, Czechoslovakia, Portugal, Union of South Africa.
3. Six other members of the Board shall be elected by the General Conference.

SOVIET AIDE MEMOIRE OF AUGUST 19, 1955

The Government of the USSR refers to the note from the Government of the United States of America of August 12, 1955, and its memorandum of August 13, 1955, containing the answer to the note of the Government of the United States of America of July 29, 1955.

As was pointed out in its memorandum of August 13, the Soviet Government considers it expedient that together with experts from the United Kingdom and Canada, experts from Czechoslovakia should participate in the conference in connection with their particular competence

in questions subject to consideration at that conference. The Soviet Government agrees that in the conference of experts from the United States, USSR, United Kingdom, Canada, and Czechoslovakia, experts from France should also participate, and that a communication concerning the forthcoming conference of experts from the above-mentioned countries should be published in the form of a joint communique with the following text:

"At the conclusion of the United Nations Conference on Peaceful Uses of Atomic Energy, experts from Canada, Czechoslovakia, France, the USSR, the United Kingdom, and the United States will meet in Geneva for a few days to discuss technical aspects of safeguarding the peaceful uses of atomic energy. The technical working group will meet in private."

Moscow, August 19, 1955.

SOVIET AIDE MEMOIRE OF OCTOBER 1, 1955

Having familiarized itself with the draft Charter of an International Agency on Atomic Energy, which was appended to the memorandum of the Government of the United States of America of July 29, 1955, and also with amendments to the draft set forth in the memorandum of the Government of the United States of America dated August 17, 1955, the Soviet Government considers that the draft referred to, with certain amendments, can be used as a basis for drawing up a Charter of an International Agency on Atomic Energy. The creation of such an Agency, in the view of the Soviet Government, could have great significance in the matter of the development of international cooperation in the field of peaceful use of atomic energy.

With a view to attracting the widest possible group of interested states to participate in the activity of the Agency, it would be appropriate to take measures so that there should be found in the Charter fuller reflection of certain principles which have, in the view of the Soviet Government, great significance for the development of international cooperation in the field of application of atomic energy for peaceful purposes.

In this connection, the Soviet Government considers it necessary to make the following observations on the draft Charter of an International Agency on Atomic Energy.

1. Having in view the existing close connection in the production of atomic energy for peaceful as well as military purposes and taking into account the fact that the activity of the Agency in the closest way will be connected with the use of dangerous fissionable materials, it is necessary to insert in the Charter a provision concerning control over the expenditure of materials provided the Agency, having in view not to permit the use of materials for purposes contrary to the peaceful application of atomic energy. It seems appropriate, therefore, to insure the proper observation and control over the work of the Agency on the part of the representative international organ. Proceeding from this, the Government of the Soviet Union considers it necessary that the Agency referred to should be established within the framework

of the United Nations Security Council and General Assembly. In this connection it is necessary to make provision in the Charter that if in connection with the Agency's activity questions are raised falling within the competence of the Security Council, these questions should be turned over by the Agency for decision to the Security Council, as the organ in which primary responsibility for maintaining peace and international security is placed.

The creation of the Agency within the framework of the United Nations would safeguard appropriate conditions for its work and guaranties of security for states—both members and non-members of the Agency.

2. It is appropriate that the Agency Charter proceed from the recognition of the principle that neither one country nor a group of countries will find itself in a privileged position. This principle must find its expression in the fundamental legal and organizational structure of the Agency. In particular, it is necessary in the Charter to provide for procedure of allotting aid, which would safeguard to all states needing aid the possibility of receiving it from the Agency. The Agency should carry out activity in regard to furnishing aid to states in such a way that allotting of aid would not depend on presentation to the country receiving aid of conditions of a political, economic, or military character, or requirements of any other claims inconsistent with the sovereign rights of states.

Any state, even if it is not a member of the United Nations or a specialized agency, must have the right to be among the initiators in the establishment of an International Agency for Atomic Energy.

3. The Soviet Government considers it appropriate that permanent members of the Security Council should be permanent members of the Board of Governors of the Agency and that in the initial membership of the Board of Governors there should be included India, Indonesia, Egypt, and Rumania as members of the Board according to Article VII-A-2.

In this connection it would be appropriate to increase somewhat the number of members of the Board of Governors.

4. In view of the necessity of the existence of control both over the expenditure of dangerous fissionable materials given over to the Agency and over their use by states receiving aid, the Agency should dispose of an appropriate staff of inspectors to whose functions should belong the investigation of atomic installations projected by these states and also the verification of the use of fissionable and other materials and of special equipment received from the Agency. Indicated functions should be accomplished by inspectorial apparatus of the Agency. In corresponding Charter Articles on this question, it is necessary to provide that such observations and control will be accomplished with due observation of sovereign rights of the above-mentioned states and within the framework of an agreement between a given state and the Agency.

5. Concerning the question of Agency finances, it seems appropriate to make provision in the Charter that confirmation of the draft of the budget and also of the scale of assessments of expenses among Agency members, and equally any other decisions on financial questions, should be made both by the general conference and also by the

Board of Governors by a majority of three-quarters of the votes.

6. In relation to the recognition of the jurisdiction of the International Court in disputes concerning the interpretation or application of the Agency Charter, it is appropriate to make provision that such recognition can take place with the consent of interested parties.

The Soviet Government considers that the insertion of the above-mentioned provisions in the Charter of an International Agency on Atomic Energy would insure the participation of a wider group of states in the Agency's work and thereby would make possible the creation of more favorable conditions for international cooperation in the area of peaceful use of atomic energy, in this new important area of international cooperation of states.

The Soviet Government proposes to call a meeting of experts of governments of most interested states for a joint examination of questions connected with working out of the Charter of an International Agency for Atomic Energy. In this meeting there could participate experts of the United States of America, the USSR, and of all those states with which the United States of America is carrying on negotiations about the formation of an International Agency, and also experts of Czechoslovakia.

Moscow, October 1, 1955.

U.S. NOTE OF JANUARY 27, 1956

The Government of the United States has considered the aide-memoire of October 1, 1955, delivered by the Soviet Government, and circulated at the request of the Soviet Government by the Secretary General of the United Nations on October 19, 1955, and wishes to state the following:

1. The Government of the United States notes that the Soviet Government considers that the draft Statute for an International Atomic Energy Agency which was delivered by the Government of the United States to the Soviet Government on July 29, 1955, as amended by the United States note dated August 17, 1955, can with certain amendments be used as a basis for drawing up a final text of an International Agency Statute.

2. It is further noted that the Soviet aide-memoire emphasizes the need to provide in the Statute for the establishment of a system of inspection and control to investigate atomic installations projected by states receiving aid and to verify the use of fissionable and other materials supplied to such states. The Government of the United States agrees that a system of inspection and control would be useful to prevent international assistance made available for the peaceful uses of atomic energy from being diverted to other than peaceful purposes. It is noted that the Soviet Government believes that the Agency should have an appropriate staff of inspectors and an inspectorial apparatus. The Government of the United States would be pleased to receive for consideration more detailed views of the Soviet Government on the necessary scope of such Agency control and inspection system and the nature of such inspectorial apparatus.

3. It is assumed that this general question together with the other points referred to in the Soviet aide-memoire of October 1, 1955, will be discussed at the working group meeting of the twelve nations now scheduled for February 27, 1956.¹⁰

WASHINGTON, January 27, 1956.

SOVIET AIDE MEMOIRE OF MARCH 20, 1956

Having considered the note of the Government of the United States of America dated January 27, 1956, in which the desire is expressed to get acquainted with the more detailed point of view of the Soviet Government concerning the necessary extent of control on the part of the International Atomic Energy Agency and the inspection system and organization, the Soviet Government wishes to state the following:

The Soviet Government in general has no objections to the extent and character of the Agency's powers in the field of inspection, as they are defined in paragraph D of Article XIII of the draft Statute of the Agency which was distributed by the Government of the U.S.A. on August 22, 1955. However, for the purpose of averting abuses of the right of inspection on the part of the Agency, the Soviet Government considers it necessary that it should be especially stipulated in the Statute that verification and control on the part of the Agency must be carried out with the observance of the sovereign rights of the states receiving aid and within the limits of the agreements between the respective states and the Agency.

The Soviet Government agrees with the opinion of the Government of the U.S.A. that the details of such questions as the extent of control on the part of the Agency, as well as the inspection system and organization, should be discussed at the conference of twelve countries which is now taking place in Washington.

WASHINGTON, March 20, 1956.

U.S. AIDE MEMOIRE OF JUNE 1, 1956

At the meeting between Ambassador Zaroubin and Ambassador Wadsworth¹¹ on March 2, 1956 the following questions were raised:

¹⁰ Representatives of the United States, Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, the Soviet Union, the Union of South Africa, and the United Kingdom met at Washington from Feb. 27 to Apr. 18, 1956, at the invitation of the United States and unanimously agreed upon a draft statute of an International Atomic Energy Agency, for submission to an international conference to be held at New York in September 1956. For text of draft statute, see BULLETIN of May 21, 1956, p. 852.

¹¹ James J. Wadsworth, Deputy U.S. Representative to the United Nations and U.S. Representative for International Atomic Energy Agency Negotiations.

October 22, 1956

Would the Government of the Soviet Union be interested in exploring with the Government of the United States and the Governments of the other countries which will be rendering international assistance in the peaceful uses of atomic energy, the possibility of reaching agreements to standardize the safeguards (against use of assistance in such a way as to further any military purpose) which these Governments would call for in rendering their assistance? Particularly, would the Government of the Soviet Union be willing to examine the possibility of an agreement among these same Governments that in the event the proposed International Atomic Energy Agency establishes effective minimum safeguards, these Governments would provide for their bilateral international arrangements designed to extend peaceful uses assistance to be safeguarded by the Agency under its safeguard system?

WASHINGTON, June 1, 1956.

SOVIET AIDE MEMOIRE OF JULY 3, 1956

In reply to the Aide-Memoire of the Department of State dated June 1, 1956, the Embassy of the Union of Soviet Socialist Republics states that the Soviet Government does not object in principle to making a joint study with the Government of the United States and the governments of other countries of the problem of safeguards to insure that special fissionable materials made available by the Agency are not used in such a way as to further any military purpose.

With respect to the proposal of the Government of the United States that the system of safeguards of the International Agency be extended to include bilateral agreements on cooperation in the field of the peaceful use of atomic energy, it is well known that Article III, Paragraph 5 of the draft Statute of the International Agency provides for possible extension of Agency safeguards to cover bilateral agreements. In this connection the Soviet Government believes that the consideration of this problem could be resumed after the Statute of the Agency is adopted by the Conference¹² and after it is ratified by the countries involved.

WASHINGTON, July 3, 1956.

U.S. AIDE MEMOIRE OF AUGUST 15, 1956

The Department of State has noted in the aide-memoire of the Embassy of the Union of Soviet Socialist Republics of July 3, 1956, replying to the Department of State's aide-memoire of June 1, 1956, that the Soviet Government does not object in principle to making a joint study with the Government of the United States and other interested

¹² The Conference on the Statute of the International Atomic Energy Agency opened at New York on Sept. 20, 1956. For texts of opening statements by Lewis L. Strauss and James J. Wadsworth, see BULLETIN of Oct. 8, 1956, p. 535.

governments of the problem of safeguards to ensure that nuclear materials made available by the International Atomic Energy Agency are not used in such a way as to further any military purpose. This willingness to do so is in keeping with the emphasis placed by the Soviet Government in its aide-memoire of October 1, 1955, and on more recent occasions, on the necessity of adequate measures to safeguard peaceful uses assistance against diversion to military purposes.

Assuming that a draft Statute for the Agency will be adopted by the September Conference and will subsequently come into effect, it will still be some time, however, before the safeguards prescribed in the Statute will be operative. As indicated by the first question posed in the Department of State's aide-memoire of June 1, 1956, the Government of the United States is also interested, therefore, in exploring the possibilities of reaching agreement to standardize the safeguarding terms on which countries would supply on a bilateral basis atomic energy assistance in the peaceful uses field.

In this connection, it is recalled that the Soviet Government in its Memorandum of July 18, 1955, stated that the Soviet Union had already initiated a program for rendering such assistance to a number of states and that it intended to broaden this circle of states.

The Government of the United States has recently entered into bilateral agreements for furnishing certain countries assistance in the application of atomic energy to the production of power. For the information of the Soviet Government, there is enclosed the text of the safeguards provisions (Enclosure One) that have proved acceptable to the governments concerned and have been incorporated into these agreements. These provisions are designed to be substantially the same as those set forth in the draft Statute of the proposed International Atomic Energy Agency.

Canada and the United Kingdom are also making bilateral arrangements for supplying assistance in the peaceful uses field. France, it is understood, has similar plans.

The Government of the United States believes that early agreement on the application, to new bilateral arrangements for peaceful uses assistance, of uniform safeguards no less comprehensive than those now contained in the draft Statute of the Agency, would not only help to assure the future effectiveness of the Agency but would also serve to advance the cause of world security. The Government of the United States, therefore, would like to propose an early commencement of staff level talks to explore the possibility of reaching such agreement.

It is noted in the Soviet aide-memoire of July 3, 1956, that the Soviet Government considers that the question of agreement on Agency application of its safeguards system to bilateral assistance arrangements should be postponed until after the adoption of the draft Statute by the forthcoming International Conference and its ratification by the countries involved. The Government of the United States suggests that this question could be given further consideration as one aspect of the proposed exploratory talks. In this connection, there is also enclosed the text of the provision (Enclosure Two) being included in the United States bilateral agreements concerning the

possibility of the future application of safeguards by the Agency.

Canada, France, and the United Kingdom have indicated their interest in participating in such talks.

Assuming that the Soviet Government is also interested, it is proposed that the talks be held in Washington, D.C., in the first part of September. As early a reply as possible would be appreciated.

The question of safeguarding peaceful uses of atomic energy assistance against diversion to military purposes is a matter of great public interest throughout the world. Accordingly, if the Soviet Government sees no objection, it is suggested that the recent exchange of aide-memoire on these proposed talks be made a matter of public record.

WASHINGTON, August 15, 1956.

[Enclosure 1]

ARTICLE INCORPORATED IN BILATERAL AGREEMENTS OF THE UNITED STATES FOR EXTENDING ASSISTANCE IN RELATION TO THE PEACEFUL USES OF ATOMIC ENERGY

Text of Article on Safeguards

The Government of _____ and the Government of the United States emphasize their common interest in assuring that any material, equipment, or device made available to the Government of _____ pursuant to this agreement shall be used solely for civil purposes.

A. Except to the extent that the safeguards provided for in this agreement are supplanted, by agreement of the parties as provided in article XII, by safeguards of the proposed international atomic energy agency, the Government of the United States of America, notwithstanding any other provisions of this agreement, shall have the following rights:

1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any (i) reactor and (ii) other equipment and devices the design of which the United States Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of _____ or any person under its jurisdiction by the Government of the United States or any person under its jurisdiction, or which are to use, fabricate or process any of the following materials so made available, source material, special nuclear material, moderator material, or any other material designated by the United States Commission.

2. With respect to any source or special nuclear material made available to the Government of _____ or any person under its jurisdiction by the Government of the United States or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or devices so made available: (i) source material, special nuclear material, moderator material, or other material designated by the United States Commission, (ii) reactors, (iii) any other equipment or device designated by the United States Commission as an item to be made available on the condition that the provision of this subparagraph A-2 will

apply, (a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in insuring accountability for such materials; and (b) to require that any such material in the custody of the Government of _____ or any person under its jurisdiction be subject to all of the safeguards provided for in this article and the guaranties set forth in article XIV;

3. To require the deposit in storage facilities designated by the United States Commission of any of the special nuclear material referred to in subparagraph A-2 of this article which is not currently utilized for civil purposes in _____ and which is not purchased pursuant to article VII, paragraph E (a) of this agreement, transferred pursuant to article VII, paragraph E (b) of this agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the parties;

4. To designate, after consultation with the Government of _____, personnel who, accompanied, if either party so requests, by personnel designated by the Government of _____, shall have access in _____ to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph A-2 of this Article to determine whether there is compliance with this agreement and to make such independent measurements as may be deemed necessary;

5. In the event of noncompliance with the provisions of this article or the guaranties set forth in article XIV and the failure of the Government of _____ to carry out the provisions of this article within a reasonable time, to suspend or terminate this agreement and require the return of any materials, equipment, and devices referred to in subparagraph A-2 of this article;

6. To consult with the government of _____ in the matter of health and safety.

B. The Government of _____ undertake to facilitate the application of the safeguards provided for in this article.

[Enclosure 2]

ARTICLE INCORPORATED IN BILATERAL AGREEMENTS OF THE UNITED STATES FOR EXTENDING ASSISTANCE IN RELATION TO PEACEFUL USES OF ATOMIC ENERGY

Text of Article on International Atomic Energy Agency

The Government of _____ and the Government of the United States of America affirm their common interest in the establishment of an international atomic energy agency to foster the peaceful uses of atomic energy. In the event such an international agency is created:

1. The parties will consult with each other to determine in what respects, if any, they desire to modify the provisions of this agreement for cooperation. In particular, the parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the international agency of those conditions, controls, and safeguards, including those re-

lating to health and safety standards, required by the international agency in connection with similar assistance rendered to a cooperating nation under the aegis of the international agency.

2. In the event the parties do not reach a mutually satisfactory agreement following the consultation provided in paragraph A of this article, either party may by notification terminate this agreement. In the event this agreement is so terminated, the Government of _____ shall return to the United States Commission all source and special nuclear materials received pursuant to this agreement and in its possession or in the possession of persons under its jurisdiction.

SOVIET AIDE MEMOIRE OF SEPTEMBER 24, 1956¹³

In its Aide-Memoire of August 15, 1956, the Department of State raises the question of the standardization of safeguards against the utilization for military purposes of assistance rendered under bilateral agreements on the peaceful use of atomic energy even before the Statute of the International Agency and corresponding safeguards provided by it enter into force. This Aide-Memoire also raises the question of the extension, after the Statute enters into force, of the system of safeguards provided by the Statute of the International Atomic Energy Agency to bilateral agreements on such safeguards.

The Soviet Government has no objection to the proposal of the United States Government for a study of the possibility of standardizing safeguards. Taking into consideration the fact that the question of safeguards directly affects the interests of all countries receiving assistance, the Soviet Government deems it desirable to consider this question in participation with the nations represented at the General Conference on the Statute of the International Agency, as well as with other interested nations. The desirability of such a procedure in studying this question is dictated by the fact that, as is well known, the governments of a number of nations express certain considerations concerning the safeguards—considerations which must be taken into account.

As far as the question of the extension of the system of safeguards of the International Atomic Energy Agency to bilateral agreements is concerned, the consideration of this question, in the opinion of the Soviet Government, could be taken up after the Statute of the Agency is adopted, taking into account the results of the Conference, after the necessary ratification of the Statute.

The Soviet Government has no objection to the publication of the recently exchanged Aide-Memoire concerning safeguards.

WASHINGTON, September 24, 1956.

¹³ Handed by the Counselor of the Soviet Embassy, Sergei R. Striganov, to Under Secretary Hoover.

Need for Reunifying Germany Through Free Elections

Press release 531 dated October 10

U.S. NOTE TO GERMAN FEDERAL REPUBLIC

The following note was delivered by the Government of the United States to the Embassy of the Federal Republic of Germany at Washington on October 9.

The Government of the United States of America presents its compliments to the Government of the Federal Republic of Germany and has the honor to acknowledge the receipt of the Federal Government's note of September 2, 1956, which enclosed a copy of the memorandum addressed to the Government of the Union of Soviet Socialist Republics on the question of the reunification of Germany.¹

The Government of the United States fully shares the Federal Government's view that it is incumbent upon the four powers to fulfill the task undertaken by them in the directive issued by the Heads of Government at Geneva in July 1955² for the reunification of Germany by means of free elections carried out in conformity with the national interests of the German people and the interests of European security. This is a task which, as the note of the Federal Government points out, cannot be adequately fulfilled "by mere assent to the principle of reunification, without any agreements being reached regarding practical ways and means of realizing it."

The achievement of German reunification in freedom is a fundamental goal of United States policy. Together with the governments of France and the United Kingdom, the Government of the United States put forward proposals at the Geneva meeting of Foreign Ministers in 1955 for the reunification of Germany by free elections and for a treaty of assurance giving the Soviet Union far-reaching security safeguards when Germany was reunified. So far, however, the Soviet Government has refused to discuss these proposals. The Government of the United States nevertheless continues to hope that the Soviet Government will fulfill its responsibilities in accordance with the

agreement reached by the Heads of Government. For its part, the Government of the United States will not cease to pursue its efforts to achieve the reunification of Germany, the continued division of which constitutes a grave injustice to the German people and makes impossible the establishment of a basis for lasting peace and security in Europe.

To this end, the Government of the United States welcomes the initiative taken by the Federal Government and shares the desire set forth in the latter's memorandum that it may lead to an exchange of views which might promote agreement among the Four Powers on reunification, as well as on a sound system of European security, which can be achieved only if Germany is reunited.

In transmitting to the Soviet Government a copy of its reply to the note of the Federal Government, the Government of the United States is conveying the hope that the Soviet Government will respond to the initiative of the Federal Government in such a way that the Four Powers may be able to give effect to the agreement made at Geneva to achieve the reunification of Germany by means of free elections.

U.S. NOTE TO U.S.S.R.

The following note was delivered by the U.S. Embassy at Moscow to the Government of the Union of Soviet Socialist Republics on October 10. Parallel notes were delivered at the same time to the Soviet Government by the Governments of France and the United Kingdom.

The Government of the United States of America presents its compliments to the Government of the Union of Soviet Socialist Republics and has the honor to refer to the memorandum which was addressed to the Soviet Government on the second of September by the Government of the Federal Republic of Germany and of which a copy was sent to the Government of the United States. The Government of the United States now has the honor to transmit to the Soviet Government a copy of the reply which it has returned to the Government of the Federal Republic of Germany.

The Government of the United States attaches great importance to the reunification of Germany, which is a basic objective of its policy. It is con-

¹ BULLETIN of Sept. 24, 1956, p. 485.

² *Ibid.*, Aug. 1, 1955, p. 176.

vinced that the continued division of Germany must be brought to an end in the interests not only of the Germans themselves but of all nations anxious to safeguard the peace of Europe. The Governments of France, the United Kingdom, the Union of Soviet Socialist Republics and the United States have on various occasions acknowledged their responsibility for bringing about the reunification of Germany, and agreed in the directive given by the Heads of Government of the Four Powers to their Foreign Ministers in July 1955 to carry out this responsibility. No progress has been made since then. The detailed proposals put forward by the Western Powers at the subsequent Foreign Ministers' Conference, which were designed both to end the division of Germany and to establish a firm system of European security, have met with no affirmative response from the Soviet Union.

The Government of the United States therefore hopes that the Soviet Government will give careful consideration to the German memorandum and will, in response to the initiative taken by the Federal Government, state its view as to how effect can be given to the agreement made by the four Heads of Government at Geneva to restore German unity by means of free elections.

Military Procurement Agreement With Germany

Press release 536 dated October 12

An agreement on procedures for the sale by the United States to the Federal Republic of Germany of military equipment, materials, and services was signed by Acting Secretary of State Herbert Hoover, Jr., and German Ambassador Heinz L. Krekeler in Washington, October 8, 1956. The agreement establishes arrangements for payment for the material, control and inspection, shipping, and other procedural arrangements relating to sales to the Federal Republic pursuant to section 106 of the Mutual Security Act of 1954, as amended.

Controls Over Dollar Imports Relaxed by Austria

The Department of Commerce and the Department of State (press release 532) announced on October 11 that a significant expansion of the list of items which may now be imported into Austria

from the dollar area without import licenses has been decided by the Austrian Cabinet and will become effective on October 15. At that time the Austrian "Dollar Liberalization List" will be expanded to include approximately 40 percent of Austrian imports from the dollar area based on imports in 1953.

As only 8 percent of Austria's dollar imports had previously been free from quantitative restrictions, this new action is an important step toward reestablishing free, competitive trade between Austria and the United States without discrimination against dollar goods.

Included in the new liberalization list are many types of industrial machinery and various ores, cotton (as of January 1, 1957), wool, iron and steel sheets, ferro alloys, crude oil and fuel oil, vehicle tires weighing more than 100 kilograms, some leathers, hides, and skins, various agricultural machinery items, and textile machinery and equipment. Also included are electric motors, television transmitters, tape recorders, X-ray tubes and film, electric razors, electric room heaters, dish-cleaning machinery, spare parts for automobiles, car heaters, typewriters and calculating machines, cameras, various chemical products, railroad engines and steam engines, books and magazines, gutta-percha, and cocoa beans.

It is expected that a copy of the new Austrian "Dollar Liberalization List" (in German) will soon be available for consultation in the European Division, Bureau of Foreign Commerce. Announcement of the arrival of this list will be made in the *Foreign Commerce Weekly*.

United States To Participate in Tangier Conference

The Department of State announced on October 8 (press release 528) that Cavendish W. Cannon, Ambassador at Rabat, would head the U.S. delegation to a conference opened that day at Fedala by the Sultan of Morocco. The Moroccan Government has invited to this meeting the representatives of the eight powers now participating in the international administration at Tangier. The purpose of the conference is to negotiate a settlement of questions raised by the reintegration of Tangier into Morocco and to examine possibilities for preserving the benefits of the special economic and financial regime characteristic of Tangier.

Working sessions of the conference will be held in Tangier. In addition to the host Government, the participants are Belgium, France, Italy, the Netherlands, Portugal, Spain, the United Kingdom, and the United States.

In addition to Ambassador Cannon, the U.S. delegation includes the following advisers:

C. Vaughan Ferguson, Jr., Consul General of the United States at Tangier

John M. Raymond, Acting Deputy Legal Adviser, Department of State

Joseph M. Sweeney, Professor of International Law, New York University; consultant, Department of State

Harold Wright, Telecommunications Adviser, U.S. Information Agency

John Parke Young, Chief, International Finance Division, Department of State

Alfred J. Erdos of the Office of International Conferences of the Department of State will serve as secretary to the delegation.

Special Committee on Question of Defining Aggression

The Department of State announced on October 8 (press release 529) that William Sanders has been designated U.S. representative on the 1956 Special Committee on the Question of Defining Aggression. This Committee was established by the General Assembly of the United Nations at its ninth session. The Committee will report to the eleventh session, which meets in November.

The Special Committee will hold a series of meetings at the United Nations Headquarters in New York beginning on October 8.

IFC Designated as Public International Organization

WHITE HOUSE ANNOUNCEMENT

White House press release dated October 4

The President on October 2 issued an Executive order designating the International Finance Corporation as a public international organization entitled to the benefits of the International Organizations Immunities Act of December 29, 1945.

The International Organizations Immunities Act provides that certain privileges, exemptions, and immunities shall be extended to such public

international organizations as shall have been designated by the President through appropriate Executive order, and to their officers and employees and the representatives of the member states to such organizations.

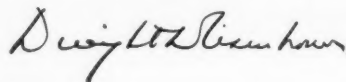
The International Finance Corporation is a new international organization closely affiliated with the International Bank for Reconstruction and Development. The United States became a member of the Corporation pursuant to the act of August 11, 1955, and the Corporation was formally established on July 25, 1956, with headquarters in Washington. The objective of the new organization is to encourage the growth of private enterprise by providing, in association with local and foreign investors, risk capital for financing the establishment, improvement, and expansion of productive private enterprises in member countries when other sources of funds are not available on reasonable terms.

The designation made by the Executive order will extend to the International Finance Corporation the same benefits as were extended in 1946 to the International Bank for Reconstruction and Development.

EXECUTIVE ORDER 10680¹

By virtue of the authority vested in me by section 1 of the International Organizations Immunities Act, approved December 29, 1945 (59 Stat. 669), and having found that the United States participates in the International Finance Corporation under the authority of the act of Congress approved August 11, 1955 (69 Stat. 669), I hereby designate the International Finance Corporation as a public international organization entitled to enjoy the privileges, exemptions, and immunities conferred by the said International Organizations Immunities Act.

The designation of the International Finance Corporation made by this order is not intended to abridge in any respect privileges, exemptions, and immunities which such corporation may have acquired or may acquire by treaty or congressional action; nor shall such designation be construed to affect in any way the applicability of the provisions of section 3, article VI, of the Articles of Agreement of the Corporation deposited in the archives of the International Bank for Reconstruction and Development.



THE WHITE HOUSE
October 2, 1956.

¹ 21 Fed. Reg. 7647.

U.S. Economic Policy and Programs in the Far East

by Howard P. Jones

Deputy Assistant Secretary for Far Eastern Economic Affairs¹

This morning I shall endeavor to outline some of the economic aspects of what your Government is trying to do toward maintaining the independence of the free nations of the Far East and to describe something of the political climate in which we must work. In approaching this subject, I shall focus to some extent upon the Philippines as an example of how we work in partnership with these free nations. The accomplishments of the Philippines since independence are well known to most of us here, as well as the part played in those accomplishments by our distinguished friend and colleague, Governor Cuaderno,² who shares this platform.

I shall start out by making two assumptions: first, that the problems which face us in Asia and the major trends in Asia are well known to this group, and I shall therefore not take up time in preliminary analysis; second, that your main interest in what a representative of the Department of State may say will center around the question, "What is your Government doing about it?"

American policy in the Far East can be stated very simply. It is to strengthen the countries of the free world, and to curb the power and prevent expansion of communism. To do this, it is essential to help the people of free Asia in their aspirations for independence and a better life in an atmosphere of peace and prosperity while at the same time insuring military strength adequate to resist aggression. The mutual security program,

through technical and economic development assistance, is helping them to achieve their objectives. The military assistance part of the program is assisting some of these countries in maintaining internal order and security and in creating a first line of defense against aggression while they build up internally.

These Asian people must have hope that they will be more secure and better off tomorrow than they are today. So long as this hope exists, we may assume that, barring aggression, these free nations will remain free. There will be no reason for them to succumb to the blandishments of communism. And thus our aid programs, in helping the governments of these countries to make such faith and hope possible, are forwarding United States objectives.

You have all heard so much about the mutual security aspects of our foreign economic aid programs that the words may have lost their meaning. The essence of the relationship, however, between the U.S. Government and these governments is one of partnership in achieving a mutually desired goal. But what are these programs? What do they accomplish?

Our foreign economic aid program is a diversified portfolio. Economic aid extended by our Government to the countries of the Far East consists of grants for programs of technical assistance or "know-how." It consists also of grants and loans (repayable in dollars or local currency) for economic development programs. It includes development loans by our Export-Import Bank.

We also sell our agricultural food surpluses for local currency. Then, usually, we reloan the bulk of this money on a long-term basis to the Asian

¹ Address made before the Far East-America Council of Commerce and Industry at New York, N. Y., on Oct. 4.

² Miguel Cuaderno, Sr., Governor of the Central Bank of the Philippines and newly elected chairman of the boards of the World Bank and the International Monetary Fund.

governments for economic development. We also have programs for the exchange of teachers and students. We offer financial and other assistance in the building of nuclear research reactors. We train scientists under the U.S. atoms-for-peace program.

In addition to what we do on a bilateral or country-to-country basis, we contribute to the fine work being done by the United Nations and its associated organizations and to the International Bank for Reconstruction and Development. These programs are, of course, substantially supplemented by American private resources made available through private investment in the area as well as through the important work being done in Asia by such private organizations as the Ford, Rockefeller, and Armour Foundations.

In order to encourage private American investment, we have endeavored to negotiate investment-guaranty agreements. Because we recognize the advantages of cooperation among free Asian countries, we have a special fund to foster regional cooperation for expanding economic growth in Asia. This fund is being used for, among other purposes, a central regional nuclear research and training center soon to be established in the Philippines. Another example of a project under this fund is the development of a regional telecommunications system to link Thailand, Laos, Vietnam, and other countries in Asia more closely together. There is not a free country in Asia which has not benefited from at least a part of this portfolio.

What the United States does serves only as a supplement to what the peoples of Asia themselves do. Theirs is the effort. We can only help. But this help can mean the difference between success or failure for these countries—between remaining free and succumbing to Communist pressures. At the least we can know that the progress which has been made in the economies of Asia has been in some part the result of our contribution.

Economic Aid to the Philippines

But even these are generalizations. Let us be more specific. This is a Philippine discussion. Let me use the Philippines as an example of America's response to the problems of underdevelopment and see how the economic aid program in the Philippines is assisting the Philippine Government to that end. Please note again that I said

"assisting the Philippine Government," for the major responsibility is in the hands of the individual governments which are hosts to our aid programs. And no aid program can accomplish much unless, working as partners with us, the governments concerned take the action necessary to encourage economic development. By the same token, the credit for accomplishment goes, and should go, not primarily to the country which makes the aid available or to the American administrators of such a program but rather to the officials of the governments directly concerned. The assistance program is in fact a joint enterprise between the recipient government and the U.S. Government, and no projects or programs are ever undertaken which do not have the full support of these governments and on which, consequently, there is complete mutual agreement.

It is readily apparent to even the most cursory observer of the Philippine scene that it is essential that there be improvement in the lot of the rural inhabitants of the Philippines. This is necessary both for political stability and for economic development. Since the vast majority of Filipinos are dependent upon agriculture for their livelihood, it is essential to raise living standards in the rural areas if the internal market in the Philippines is to grow and thus attract increased investment. President Magsaysay is strongly encouraging a rural development program designed to accelerate the development of a self-reliant citizenry capable of increasing their living standards through administering self-help programs.

United States economic assistance in the rural development field is designed to encourage this self-help process. Typical projects include the assistance of rural credit and marketing cooperatives, irrigation, and agricultural extension services; also, local health centers. Available evidence indicates there has been a measurable improvement in the conditions in those barrios where the rural development program has operated for some time.

The interest of the Philippine Government in this program is shown by its plans to spend more than \$40 million over the next 5 years for expanded rural community development. The training for the expanded rural development project was begun at the Agricultural College at Los Banos in April of this year. Plans have been considered for two additional training centers. In view of the importance of this program and

its expected benefit to the Philippines, the United States provided an additional \$4.2 million in fiscal year 1956 to help meet initial local costs for essential training.

In addition to the assistance given to the rural areas which endeavors to increase income levels, I should like to spend a few moments describing what the Philippine Government and the United States economic assistance program jointly are accomplishing in directly assisting industrial development. It is of particular interest in view of the criticism by some Filipinos that the United States aid program is placing too much emphasis on agriculture.

Industrial Development Center

In February 1955, the Industrial Development Center (Idc) was established. The purpose of this center is to stimulate private investment in small and medium-sized industry through providing financial assistance and technical advisory services for prospective investors and local industries. In this fashion, American aid encourages local private investment in industry by providing financial and technical assistance.

An industrial loan fund was established to supply qualified enterprises with peso financing in order to help overcome the shortage of capital. The banks are encouraged to change their lending habits and make funds available to industrial enterprises. This is done by making time deposits available to the banks from counterpart funds equal to the size of the banks' loans to the borrowing firms. In the 6-month period from August 1955 to February 1956, 90 manufacturing firms received financing aid; 51 of these were new establishments.

In March 1956, the Export-Import Bank extended a \$65 million line of credit to the Philippines.³ This included a \$15 million line of credit for importing capital goods from the United States for Idc-type projects. The Idc has been given the responsibility for processing for subsequent approval by the Central Bank all applications for credit under this \$15 million program.

In order to alleviate the problems created by the shortage of qualified technicians in the Philippines, the Idc's Engineering and Technology Department is giving technical-engineering assistance to firms in fields as diverse as brickmaking

machinery, electroplating, and chemical-product manufacture. The Idc is also engaged in advising manufacturers in accounting procedures and cost control. Another function which has given promise of being of considerable benefit to industry in the Philippines is the training of industrial supervisors by the Idc's Institute for Industrial Supervisors. It thus may be seen that the U.S. aid program in the Philippines jointly with the Philippine Government is attacking each of the major bottlenecks—the lack of balance and diversification in the economy, the lack of trained personnel and lack of capital, the low productivity and low income levels.

How successful is this program? How well is it performing its function of encouraging private investment and thus advancing the economic progress of the Philippines? Unfortunately, there is no way of measuring what the results would have been had there been no program in the Philippines. All we can do is to look at the economy of the Philippines and decide if it is stagnating, retrogressing, or moving forward. Examination of the available statistics leads to the optimistic conclusion that the Philippines has embarked on the right road to economic advancement.

The latest available information indicates that the general expansion of economic activity which has been present in the Philippines for the past 2 years is continuing. All of us here are aware of the new industries continually being established in the Philippines. Manufacturing activity is reported to be about 20 percent higher than the same period of last year. Investment, as measured by the paid-up capital of newly registered corporations and partnerships in the second quarter of 1956, was almost 50 percent above the second quarter of 1955.

There are, of course, serious dangers ahead. But there is every reason to believe that the Philippine Government will follow an economic course which will bring a more plentiful life to all Filipinos and, at the same time, increase the strength and already high prestige of the Philippines throughout the world.

Other Aid Programs

Viet-Nam

So much for the Philippines. Let us take a look at the accomplishments of another type of program. A little over a year ago, the newly inde-

³ BULLETIN of Apr. 2, 1956, p. 568.

pendent government of Viet-Nam was fighting for its life. It was faced with the military and subversion threat of the Communists to the north of the 17th parallel; it was confronted with internal strife. Self-seeking religious sects were challenging the government with their own armies. Hundreds of thousands of refugees who had fled from the Communists in the north had to be cared for and resettled. The problems facing this new nation were well nigh overwhelming.

What is the situation today? We now find a firmly entrenched nationalist government under the leadership of President Diem. This government has proved its capacity not only to survive in face of Communist subversive efforts but to assume the responsibilities of independence, including the holding of free elections for an assembly which is now drafting a constitution for a free Viet-Nam.

The American aid program, concentrating on:

- (1) strengthening the internal security of the country,
- (2) assisting in the resettlement of the 800,000 refugees,
- (3) aiding the Viet-Nam government in stabilizing and developing the economy,

was a factor in this achievement.

Indonesia

In Indonesia the American aid program, apart from our agricultural disposal program, has been largely in the form of technical assistance. A brief recital of some of the accomplishments of that program may bring home to us the significance of these efforts.

Malaria in Indonesia is called the swamp dragon. It is the most feared and most common disease. It has been estimated that 30 million people in Indonesia 5 years ago were under constant exposure to malaria. Four years ago in some areas of east Java, one baby in two was destined to have malaria before he reached his first birthday. Most children born today in these same areas will never have the disease. Extensive checks made last year in controlled parts of east Java failed to find a single case of malaria among children born after three annual DDT sprayings of the area. The disease chain had been broken. Under the cooperative Indonesian-American control program, four million Indonesians have been

so protected from malaria. The gains come not alone in better health and happier people. The program is conservatively estimated to be responsible for an annual increase in rice production of 58,000 tons, or more than 2 days' rice ration for every man, woman, and child in Indonesia. In one area alone, over 50,000 acres of land abandoned because of malaria have been put back into production. This program is currently being expanded, and it is estimated that 4 years from now the danger of succumbing to malaria will have been practically eliminated for the 80 million people of Indonesia.

Indonesia is one country of the Far East which still has a frontier. The young man of Indonesia can in fact "go west." Thousands of acres of land in Sumatra, Sumbawa, Sulawesi, and other islands are yielding to the advance of agricultural machinery piloted by young Indonesians who are, directly or indirectly, U.S.-trained. Last year some 30,000 families went "west" and established new farms in frontier areas.

Most Indonesians are farmers. Holdings are small, frequently no larger than one acre; the farmer's problem is simply that of increasing production on his own piece of land so that his family may have a better living. The farmer's problem is also the Government's problem, because insufficient agricultural production in Indonesia has necessitated large food imports requiring foreign exchange which the young nation needs to spend on the import of capital goods.

As a result of research by the Indonesian Agriculture Research Station in Bogor, which has two U. S. rice-breeding specialists on its staff, purified rice seed has been developed which produces 33 1/3 percent higher yields per acre. Approximately one-third of the farmers on Java are already using this purified seed. U. S. corn breeders working with their Indonesian counterparts have developed a new variety of corn which has already proved able to produce 300 percent higher yields than indigenous varieties. The U. S. program in Indonesia has helped set up mechanized production units in cottage industry villages; assisted in the Indonesian Government's loan fund, which extends credit to private industry to mechanize its operations; provided consulting services for privately owned factories; and assisted the Government in the exploration of its natural resources. Improvements made at Tandjong Priok, Djakarta's harbor, in efficient handling of cargo have

resulted in a saving of a total of \$8 million over a 15-month period.

Finally, Indonesia is being assisted in the vital area of education—in vocational education at the trade-school level and higher education in the fields of medicine, engineering, and agriculture.

These are just samples selected at random, but they may serve to illustrate what is being done.

Private Foreign Investment

One of the great forces in Asia today is nationalism. Nationalism is a positive force. It can be a great constructive force. But there are some in Asia who are demanding bans against foreign investments, who are urging their governments to amplify their role as entrepreneurs, and who maintain that all important sectors of the national economy should be in the hands of nationals of the country, not outsiders. And at this point I should like to emphasize that there are some things economic aid on a government-to-government basis cannot do.

Economic aid in any form must be marginal. A priceless component of economic progress in a free society is the impetus and drive of private capital. It is a heartening fact that virtually all the free countries of Asia are now themselves taking steps to encourage and stimulate the growth of a private, indigenous, entrepreneurial community. In almost every one of these countries there are now special institutions or programs to assist would-be local private investors in financing new productive enterprises. Burma and now Laos are the most recent examples of countries undertaking such a program.

As highly desirable as private local investment is, however, it still is unable to inject into the national economies of these countries many of the modern skills, technical knowledge, and the large sums of capital and foreign exchange required for large-scale enterprises. The one best and by all odds most efficient source for this is private foreign investment. There are today ample capital, managerial, and technical skills available in private industry to do the job that has to be done in Asia. But these skills are not present to any degree in Asia as of today.

The question may properly be asked, Why should the United States Government through taxation funnel American capital into Asian coun-

tries as, at best, a poor substitute for what private American investors themselves could do? Is it because our private investment capital won't go there? Because these countries are suspicious of private foreign entrepreneurs and won't let them in? Because they are suspicious of the West? Because these countries believe in socialism and insist on government operation of enterprises that are privately owned in most Western countries? Because they are nationalistic and insist on running their own economic as well as political affairs?

Some of these answers apply in some countries; others, in other countries. Whatever the reasons, they are likely to be based more upon fear than upon reality. The United States itself was to a significant degree built by British and European capital. In 1790, the year after the United States of America came into being, total foreign assets in the United States (about \$75 million) comprised as much as 10 percent of our total national wealth. During the 19th century net foreign capital amounting to over \$3 billion poured into the United States; yet the percentage of foreign assets had fallen early in the 19th century to 4 percent of our total national wealth and remained at approximately that figure throughout the century.

What happened was that we used this foreign investment as a nucleus, around which our national economy grew. By 1955 total foreign assets in the U.S. were estimated at about \$29.6 billion, yet this amount was only about 2 percent of our national wealth. The less developed countries of today can utilize foreign capital in the same way. Private foreign investment should properly be judged less by its effect upon the balance of payments, through profit remittances, than by the catalytic effect which it may have upon the increase in the rate of growth of national income. It is your job and mine to help remove the fear which is forestalling private capital from moving into and being accepted by Asia. It is our job to convince the leaders of these nations that there is more *mutual* aid in foreign private investment for productive purposes which does not intrude upon national objectives than there is in all the governmental aid programs in the world—sound though the latter may be and proud though we as Americans can be of the part our country is playing in extending this aid.

Let me cite just one small instance. I shall not mention the country, but in one underdeveloped nation last year a single American industry began investments of more than \$160 million. In this same country, the United States aid program, making an important contribution too, totaled little more than \$10 million a year. This puts the matter in proper perspective, providing a hint as to what these countries might anticipate from private foreign investment, once they establish a climate in which it can operate. And it should not be forgotten that, in addition to providing basic facilities in the country, employment, and technical education for the workers, the government itself gains at once and substantially through its power of taxation. The arrangement is one of mutual benefit and should be so regarded.

New Communist Tactics

This brief examination of "what your Government is doing about it" can perhaps be made more meaningful by some reference to the new Communist tactics in the Far East.

To the leaders in the Kremlin, ever eager to capitalize on situations of weakness, the mass Asian frustration over their economic lot must have seemed readymade for the Communists' exploitation. Almost as soon as mainland China became Communist, it began to flood free Asia with propaganda of fantastic achievements which the Communists asserted were the fruits of a Marxian approach. That many of the claims were beyond the realm of plausibility did not wholly detract from their propaganda value among the unsophisticated and those yearning for, and ever ready to believe that there might be, an economic panacea. Until 1955, however, the Communist bloc largely limited itself to eulogies of its achievements and to admonitions to the free Asian countries not to accept foreign aid lest they lose their independence and revert to their colonial status. The Communists shed crocodile tears for the plight of the underdeveloped countries. Since they gave no foreign aid themselves, they denounced it as iniquitous and an instrument of imperialism.

Speaking at the 6th session of the General Assembly of the United Nations in 1951, the Soviet delegate decried all Western aid to the underdeveloped countries and stated, "the underdeveloped countries should not respond to the blackmail practiced against them in the guise of technical

assistance." He warned the underdeveloped countries that "the United States and the United Kingdom had greater interest in exporting capital than the underdeveloped countries had in importing such funds." He urged instead that the countries achieve their economic progress through the sweat of their own efforts.

This was typical of the Communist line until the end of 1954. Communist trade with the Far East up to that point was negligible and consisted primarily of samples of industrial equipment which could not be bought.

Suddenly the Communist line shifted. The Soviet economic policy veered from one of autarchy within the Soviet bloc to a view that foreign trade is both an "organic part of the socialist economic system" and "an integral element of Soviet foreign policy." Soviet trade groups and economic missions suddenly arrived on the Asian scene. That genial pair of salesmen, Bulganin and Khrushchev, took the long trip to the Far East to drum up business.

As a result, the bloc countries now have trade agreements with five of the countries of the Far East and South Asia: Burma and India each have 8 and Indonesia has 7; Ceylon 6; and Cambodia one. Such agreements generally do not go beyond specifying amounts and types of goods for which the two countries involved will provide official trading facilities. They do not assure that trade will reach the specified levels, and in actual practice exchanges have often been much lower. In effect, these much-touted trade agreements amount to little more than simple declarations of intent to trade. Nevertheless, the Sino-Soviet bloc's trade with free Asia has been increasing. For South Asia and the Far East taken together, the value of this trade has increased about 20 percent above the level in 1953. However, it still remains a small percentage of free Asia's total trade.

In its trade drive, the bloc has based much of its appeal on the needs of underdeveloped countries to expand their markets for agricultural products and to stabilize their export earnings. They were not deterred from doing this by the fact that in previous years they had consistently denounced Asia's trade with the West on the grounds that that trade consisted primarily of agricultural and other raw materials and was therefore colonial in nature. This was overlooked, however, by much of Asia when the bloc publicized its willingness to take agricultural commodities in surplus in free

Asia—
of Ce
have s
idly, a
lost li
such o
dices
lary
pects
The
qualif
factio
ments
been q
ter wh
Burma
priced
ery.
cemen
caked
and h
tured
applic
tities
have
aroun
cash o
The
in, cl
intens
comp
and
nessm
tion i
fear
The
we al
are bu
selling
and I
Japan
entan
nomic
Taiw
Thail
WI
under
incide
sumer
ginni
Sing

Asia—sometimes at premium prices, as in the case of Ceylon rubber. State trading organizations have stood ready to carry out central decisions rapidly, and all the organs of Communist propaganda lost little time in playing up the advantages of such trade and in fanning already strong prejudices against Western economic policies—particularly surplus-disposal programs and various aspects of U.S. aid policy.

The Sino-Soviet bloc, however, has not had unqualified smooth sailing. There has been dissatisfaction in Burma with Communist barter arrangements. The former Prime Minister of Burma has been quoted as saying that “anyone who takes barter when he can get cash is out of his mind.” The Burmese have found the Communist goods overpriced for their quality and uncertain as to delivery. Much-advertised large Russian shipments of cement turned into an utter fiasco when the cement caked on the docks because of improper packing and became unusable. Fountain pens manufactured in Communist China proved balky when applied to paper. Burma disposed of large quantities of its surplus rice to China but could scarcely have been pleased when Communist China turned around and exported rice to Burma’s traditional cash customers.

The final score on this Communist game of “clap in, clap out” is not yet in. The Communists are intensifying their trade efforts. In this arena the competition is between Communist bureaucrats and American and other Western private businessmen. Even though the Communist competition is likely to be anything but fair, we have no fear of the outcome.

There is another aspect of this problem to which we all need to be alert. The Chinese Communists are buying rice from Burma at fictitious prices and selling rice to Burma’s own customers—Ceylon and Pakistan. They are even selling some rice to Japan. This is better than a triple play; it helps entangle the free countries in the Communist economic spider web and reduces the amount of rice Taiwan and other free countries such as Burma, Thailand, and the United States can sell to Japan.

While this is going on, an intensive effort is under way to invade Southeast Asian markets and incidentally elbow out Japan. Red China consumer goods—from bicycles to bandanas—are beginning to pour into such centers as Bangkok and Singapore. The goods are priced below the mar-

ket, but the quality is poor. A large thermos bottle, for example, is priced at less than \$1.00 U. S., but purchasers find it only lasts a short time. Both fear and artificially favorable terms play their part in this campaign. Chinese merchants are assigned quotas by the Communists, and the goods are delivered on consignment.

Perhaps even more spectacular than the Communist trade offensive is the completely new face which the Communists are showing in extending foreign aid. It is a sobering fact that since 1954 members of the Sino-Soviet bloc, after years of denouncing foreign aid as an unvarnished instrument of Western imperialism, have agreed to extend to 11 underdeveloped countries in the world the equivalent of \$1 billion in credits for the purchase of Communist goods and technical services. The bulk of these credits have gone to Yugoslavia, Egypt, India, and Afghanistan. Indonesia and Cambodia have now been added to this list. Indonesia recently agreed to accept a line of credit from Soviet Russia equivalent to \$100 million. According to the announcement, the terms of the loan call for 2½ percent annual interest to be repaid in 12 years in commodities, pounds sterling, or other convertible currency. The individual projects for which the credit is to be utilized are to be agreed upon by the two governments.

In assessing the attractiveness of the Russian economic aid offers, it is well to bear in mind that, although the Communists offer interest at 2 percent and 2½ percent, their loans are generally payable within 10 to 15 years and usually do not provide for any grace period before the beginning of payments on principal. Under our mutual security program, the United States makes 40-year loans with interest at 3 percent if repaid in dollars or 4 percent if repaid in local currency. The development loans of our own Export-Import Bank, although they currently bear a somewhat higher rate of interest, are often for a longer term than are the Communist offers and usually provide for some grace period.

These new Communist efforts need not throw us off stride. It is important for us not to outbid but to outperform the Communists. As President Eisenhower pointed out in his message to Congress on the Mutual Security Act last March 19,⁴ “Our programs which were conceived in the common

⁴ *Ibid.*, p. 545.

interests of the free nations must go ahead affirmatively . . . to meet the common need." Indeed, one of the surest indications that our programs have been sound and have been serving to strengthen the cause of freedom in Asia is the very fact that the international Communists have now felt compelled to undertake a program which superficially resembles our own.

Enough has been said to give a brief glimpse of some of the things your Government is doing to meet the basic problems of the Far East, and to outline the political climate in which it works. I return to the theme with which I started—it is

the policy of the United States Government to strengthen the governments of the free world and to curb the power and curtail the influence of the Communists. To accomplish this, it is essential to assist the governments of Asia in insuring that their people have hope that they will be more secure and better off tomorrow than they are today. If we remain steadfast in this policy, we may assume that, barring aggression, these free nations will remain free. As a partner in a great enterprise, the U.S. Government is helping the free countries of Asia to help themselves in the realization of this goal.

Advancing the Security of the Free World

EXCERPTS FROM THE TENTH SEMIANNUAL REPORT ON THE MUTUAL SECURITY PROGRAM¹

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

I am transmitting herewith the Tenth Semiannual Report on the operations of the Mutual Security Program, for the period January 1, 1956 through June 30, 1956.

The accomplishments during this six-month period under this program of mutual effort have further advanced the security, the economic progress and the well-being of the United States and our partners in the free world.



THE WHITE HOUSE,
September 20, 1956

HIGHLIGHTS OF THE HALF-YEAR JANUARY-JUNE 1956

Factors Affecting Mutual Security Policies

The basic reasons for the mutual security program are clear. They have been spelled out many times in previous semiannual reports and discussed thoroughly and extensively by the President, the Secretary of State, and various congressional com-

mittees. Summed up in one sentence, the program rests on the simple and hard fact that United States long-term security and welfare are inseparably interwoven with the security and welfare of other free nations just as their security and welfare are tied in with ours.

The reasons why it is in the best interests of the United States to carry on the cooperative military and economic effort with other independent nations were reiterated in March by the President in these words:²

. . . because there are still nations that are eager to strive with us for peace and freedom but, without our help, lack the means of doing so.

. . . because there are still forces hostile to freedom that compel the free world to maintain adequate and coordinated power to deter aggression.

. . . because there are still peoples who aspire to sustain their freedom but confront economic obstacles that are beyond their capabilities of surmounting alone.

¹ H. Doc. 481, 84th Cong., 2d sess.; transmitted on Sept. 24. Reprinted here are excerpts from section I of the report, "Highlights of the Half-Year January-June 1956," and section II, "Use of Funds in Fiscal Year 1956." The remaining two sections deal with program activities in selected countries and with other aspects of the program, including investment guaranty insurance, liaison with U.S. business firms, and the escapee program.

² From the President's message to Congress on the mutual security program, March 1956 (BULLETIN of Apr. 2, 1956, p. 545).

These facts are as fundamental to our own security and well-being as the maintenance of our own armed forces.

Mutuality of Effort

One point should be strongly underlined. The "mutual" element in the mutual security plan is the key to the achievement of the "security" it seeks. By pooling its particular capabilities and resources and working in concert toward common goals, each nation participating in the program can achieve far more in terms of true military and economic security than it could obtain solely through its own efforts, and at considerably less cost to itself. This applies as well to the United States as to the other nations in the program.

The concept of mutuality in our program operations is illustrated by the following facts:

► During the 6 years of the NATO defense buildup, European NATO nations have paid for 85 percent of the total cost; they have supplied 60 percent of the materiel used by European NATO forces; and they have provided the bulk of the manpower assigned or earmarked to NATO commanders.

► In addition to men and funds, nations in Europe are furnishing bases and facilities for U. S. troops stationed abroad. A large number of these bases and facilities are being provided under the NATO infrastructure program to which the United States has contributed about 38 percent of the cost. To date, over 140 airfields have been constructed under this program, many of which are occupied by units of the United States Air Force. In time of emergency, all these bases and facilities will be available to us. Without these bases, the effectiveness of our principal deterrent, our nuclear retaliatory power, would be seriously impaired.

► European countries generally are maintaining their defense expenditures at a high level. In 1954 and 1955, these expenditures averaged about \$12 billion a year, only a moderate decline from the postwar peak of \$12.8 billion in 1953. Total defense expenditures for NATO countries are again rising and are now estimated to be running at a rate of \$13 billion annually; U. S. military assistance furnished to these countries amounted to \$1.9 billion in 1955.

► In the Middle East and South Asia, the major portion of U.S. military assistance goes to four countries—Greece, Turkey, Iran, and Pakistan. Defense expenditures of these coun-

tries in the 1956 fiscal year are estimated at substantially more than double the value of military aid delivered by the United States. Greece and Turkey are making their military contributions to NATO. Iran, Pakistan, and Turkey, as members of the Baghdad Pact, have assumed responsibility in the collective defense of the Middle East area, so vital to the interests of the United States and other Western nations.

► In the Far East, South Korea, Taiwan, and free Viet-Nam are devoting 50 to 60 percent of their budgetary expenditure to defense, maintaining large military forces to guard that important area against Communist aggression. U.S. contributions of military items and economic assistance enable those nations to place their forces in strategic positions for the defense of the free world.

► While the United States is contributing a portion of the financial resources as well as the technical advice required for economic development, generally the bulk of the investment is provided by the participating countries themselves. For example, the U.S. contribution to India's first five-year plan has been about 6 percent of the total expenditure involved. In the 1956 fiscal year, the Philippines Government contributed more than 70 percent of the total cost of joint economic development projects in which the United States participated.

► In Latin America, where technical cooperation is the most widespread element of the mutual security program, U.S. obligations of \$27 million for joint technical cooperation projects in fiscal year 1956 have been combined with host countries' own contributions of about \$50 million in currencies and an additional \$23 million in goods and services.

Reappraisal of Program Direction

While the fundamental objectives of the mutual security program remain clear and unchanged, several important developments have unfolded in the last year or so which bear directly on the methods and techniques we are using to achieve those objectives. As they affect mutual security operations, these developments center around two main points. One concerns the rising cost of building and maintaining a modern military establishment in participating countries and the growing competition between defense claims on a nation's resources and the claims of economic

growth. The other concerns the Soviet "new look," their growing industrial strength, and the expanded economic activities of the Sino-Soviet bloc in the Near East, South and Southeast Asia, and other strategic parts of the world.

These two considerations have raised a number of questions on adapting the mutual security program to meet the issues that have grown out of new circumstances. The questions, in turn, involve a series of complex problems, few of which have an easy or pat solution. There is the problem for example of keeping a proper balance between the military and economic components of the mutual security program. In certain cases, there is unfortunately no satisfactory alternative to the maintenance of large and powerful but expensive forces. It would be foolish for instance to let down our guard in Europe, Korea, Taiwan, and free Viet-Nam. However, even accepting the necessity of maintaining adequate strength in those areas, we must consider to what extent existing military forces should be modernized, and how much of a military burden the economies of the participating countries can stand.

There is also the problem of the impact of sharply stepped-up Soviet economic efforts in the free world's newly developing countries. In directing ourselves to this problem, we come up against a host of related questions. Should the program be enlarged? Should it be given greater flexibility to meet the new Soviet economic tactics? How much can other countries, particularly in Europe, contribute to the progress of less developed areas? How much assistance can these areas effectively absorb? Should we give greater stress to short-term projects of popular appeal or continue to emphasize long-range projects which though basic to economic improvement, may excite less popular interest? To what degree might it be effective to provide more assistance through multilateral channels and less through our bilateral programs? Can our economic assistance be put on a loan basis to a greater extent or would the widening of loan activities and the softening of their terms be self-defeating?

Several intensive studies of the mutual security program are planned or under way in an effort to find answers to these difficult questions. The results of these various studies should insure that mutual security operations in the coming years will be conducted in a manner which will bring

maximum returns to the American people and provide our free world partners with the most effective kind of military and economic cooperation.

USE OF FUNDS IN FISCAL YEAR 1956

The Total Picture

During fiscal year 1956, total obligations or reservations made from funds available for the mutual security program amounted to nearly \$2.4 billion. Of this total, \$843 million was obligated or reserved by the Department of Defense for direct military assistance; \$1.5 billion was obligated by ICA [International Cooperation Administration] for other than direct military programs. By far the largest share of total available funds was used for direct military aid and defense support programs. About \$158 million was used to pay the costs of ocean freight for surplus agricultural commodities, for support to various multilateral programs such as the activities of United Nations organizations and the Organization of American States, for escapee programs, and for other purposes related to mutual security objectives.

Direct military assistance under the mutual security program is extended by providing weapons and other military supply items, by carrying out training programs, and by sharing in the financing of joint military facilities.

Nonmilitary assistance is extended in one of three ways, depending on how the needs and circumstances of the participating country relate to the policy objectives of the United States: (1) defense support and technical cooperation; (2) development assistance and technical cooperation; or (3) technical cooperation alone.

Defense support programs are designed to help certain countries which are receiving military assistance to support appropriate levels of military strength while also maintaining and promoting political and economic stability. Such support involves furnishing economic resources to enable the recipient country to undertake defense activities that otherwise would not be possible or to increase the recipient's capacity to do so in the future. Without such support the security of the United States and other free world nations would be diminished to a serious extent, or would have

to be compensated for by the maintenance at far greater expense of additional U.S. forces and their deployment abroad.

Development assistance is aid given primarily to promote economic development or to deal with other problems whose solution is necessary to create or maintain economic and political stability. In most nations, development assistance also complements programs of technical cooperation by providing needed supplies, commodities or funds. Usually this type of aid is required to make possible or accelerate activities required to promote basic U.S. interests.

Development assistance differs from defense support in that the former is directed wholly toward goals which are not military in character, whereas the latter has as one of its essential aims the attainment of military objectives.

Through technical cooperation programs, we share knowledge, experience, techniques, and skills with the peoples of the economically less developed areas of the world for the purpose of helping them to advance their economic progress and raise their standard of living. These programs emphasize and consist largely of advisory services, teaching, training, and exchange of information; they do not include the provision of supplies and equipment beyond that which is required for effective demonstration purposes. Participation and interest in these programs are steadily growing, as evidenced by the increasing share of host country contributions.

Direct Military Programs

Military Equipment

During the first 6 months of 1956, \$1.9 billion worth of military equipment and supplies was shipped to nations cooperating in the mutual defense of the free world. The greatest portion of this amount, almost two-thirds, was shipped to countries in Europe; the Asia and Pacific area was the next largest recipient, with about one-quarter of the total. Over 50 percent of the value of the military deliveries was made up of planes and related Air Force items. Another substantial portion, some 40 percent, represented ammunition, tanks and combat vehicles, artillery, and other equipment for ground forces. Ships, naval aircraft and supporting items for naval forces accounted for the remainder.

These 6-month deliveries brought to \$14.2 bil-

ICA OBLIGATIONS IN FISCAL YEAR 1956¹

(Millions of dollars)

Region and country	Total	Defense support	Development assistance	Technical cooperation	Other
Total	1,550.5	1,132.0	157.2	150.0	111.4
Asia—Total	952.7	824.0	70.7	56.9	1.1
<i>Far East</i>	<i>760.5</i>	<i>726.7</i>	—	33.8	—
Cambodia.....	45.1	43.1	—	1.9	—
Indonesia.....	7.0	—	—	7.0	—
Japan.....	0.9	—	—	0.9	—
Korea.....	324.6	319.6	—	5.0	—
Laos.....	48.6	47.7	—	0.9	—
Philippines.....	29.1	23.2	—	5.9	—
Taiwan.....	73.3	70.0	—	3.3	—
Thailand.....	34.5	29.5	—	5.0	—
Viet Nam.....	197.1	193.6	—	3.5	—
Regional.....	0.3	—	—	0.3	—
<i>South Asia</i>	<i>192.2</i>	<i>97.3</i>	<i>70.7</i>	<i>23.1</i>	<i>1.1</i>
Afghanistan.....	18.0	—	15.3	2.7	—
Ceylon.....	4.9	—	4.0	0.9	—
India.....	60.4	—	50.4	10.0	—
Nepal.....	1.8	—	1.0	0.8	—
Pakistan.....	107.1	97.3	—	8.7	1.1
Near East and Africa—Total	259.1	188.7	38.0	32.0	0.6
Egypt.....	2.5	—	—	2.5	—
Ethiopia.....	2.9	—	—	2.9	—
Greece.....	26.7	26.2	—	0.5	—
Iran.....	65.4	57.5	—	7.9	—
Iraq.....	2.2	—	—	2.2	—
Israel.....	24.0	—	22.5	1.5	—
Jordan.....	7.5	—	5.0	2.6	—
Lebanon.....	7.7	—	5.5	2.3	—
Liberia.....	1.8	—	—	1.8	—
Libya.....	7.0	—	5.0	2.0	—
Turkey.....	107.8	105.0	—	2.2	0.6
Overseas Territories.....	1.1	—	—	1.1	—
Regional.....	2.5	—	—	2.5	—
Europe—Total	110.1	110.1	—	—	—
Germany (Fed. Rep.).....	17.3	17.3	—	—	—
Spain.....	58.7	58.7	—	—	—
Yugoslavia.....	30.0	30.0	—	—	—
Technical Exchange—Western Europe.....	1.2	1.2	—	—	—
Regional.....	2.8	2.8	—	—	—
Latin America—Total	71.3	—	44.1	27.1	0.1
Argentina.....	0.1	—	—	—	0.1
Bolivia.....	25.6	—	22.9	2.7	—
Brazil.....	3.6	—	—	3.6	—
Chile.....	2.2	—	—	2.2	—
Colombia.....	1.3	—	—	1.3	—
Costa Rica.....	0.9	—	—	0.9	—
Cuba.....	0.5	—	—	0.5	—
Dominican Republic.....	0.3	—	—	0.3	—
Ecuador.....	1.7	—	—	1.7	—
El Salvador.....	0.9	—	—	0.9	—
Guatemala.....	17.7	—	16.2	1.5	—
Haiti.....	6.4	—	5.0	1.4	—
Honduras.....	1.2	—	—	1.2	—
Mexico.....	0.7	—	—	0.7	—
Nicaragua.....	0.8	—	—	0.8	—
Panama.....	1.1	—	—	1.1	—
Paraguay.....	1.5	—	—	1.5	—
Peru.....	2.8	—	—	2.8	—
Uruguay.....	0.2	—	—	0.2	—
Venezuela.....	0.1	—	—	0.1	—
Overseas Territories.....	0.6	—	—	0.6	—
Regional.....	1.3	—	—	1.3	—
Other Programs—Total	157.6	9.3	4.4	34.5	109.6
Asian Development Fund.....	4.4	—	4.4	0.1	—
Non-Regional.....	29.0	—	—	9.9	19.1
Other ²	124.2	9.3	—	24.5	90.5

¹ Preliminary figures.

² Includes allocations to other U.S. Government agencies and administrative expenses.

lion the cumulative total of military equipment and supplies furnished to other friendly nations since the beginning of the program of military assistance in fiscal year 1950, with the proportions

going to the respective areas for the entire period being roughly similar to those for the half-year period. Ammunition, tanks and combat vehicles, and aircraft accounted for over 60 percent of all materiel furnished. Of the cumulative total, the ground forces received by far the largest share, 61 percent.

Nonmilitary Programs

Almost half of the \$1.5 billion obligated by ICA in fiscal year 1956 for other than direct military aid programs was used for the Far East, and within that area largely for South Korea, Taiwan, and free Viet-Nam.³

The great bulk of the total funds for nonmili-

tary programs was earmarked for activities in the category of defense support; development assistance and technical cooperation combined accounted for less than one-fifth of the overall amount. In the Far East, for example, about 95 percent of the funds obligated was for defense support programs. In Europe, virtually all of the nonmilitary programs, primarily in Spain and Yugoslavia, were in the defense support category. Except for the \$4.4 million used in programs under the Asian Development Fund, all of the obligations for development assistance, \$157 million, were for countries in the Near East and South Asia, and in Latin America. Funds for technical cooperation were used in a wide range of activities throughout all parts of the free world.

Notice of Intention To Participate in Limited Trade Agreement Negotiations With Cuba¹

The Interdepartmental Committee on Trade Agreements on October 8 issued notice of the intention of the U.S. Government to participate, under the authority of the Trade Agreements Act as amended and extended, in limited trade agreement negotiations with the Government of Cuba.

In these negotiations, the United States will give consideration to possible tariff concessions on certain types of unmanufactured tobacco (see below) in exchange for concessions by Cuba. The listed types of tobacco are imported into the United States, chiefly from Cuba, for use in the manufacture of cigars.

The negotiations will supplement those conducted at Geneva, Switzerland, earlier this year in which the United States, Cuba, and 20 other contracting parties to the General Agreement on

Tariffs and Trade participated,² and any resulting exchange of tariff concessions will be embodied in the respective schedules of the United States and Cuba supplemental to their present schedules to the General Agreement.

In the case of most of the tobacco items listed, imports into the United States which are the product of Cuba are now entitled to preferentially lower rates of duty than are applied to like products of other foreign countries. Any reduction in a rate applicable to the product of Cuba will apply to the Cuban product exclusively, but, in order to prevent increases in margins of preference, such a reduction may involve a reduction also in the rate applicable to the same type of tobacco which is the product of other countries.

Tariff concessions by the United States will be considered within the limitation of the authority available to the President under the Trade Agreements Act as amended by the Trade Agreements Extension Act of 1955. The pertinent part of the legislation provides that rates might be reduced by 15 percent below the January 1, 1955, rates by

³ For a survey of nonmilitary programs in the Far East, see BULLETIN of Aug. 13, 1956, p. 269; for similar summaries of programs in Latin America and in South Asia, see *ibid.*, Aug. 20, 1956, p. 317, and Sept. 24, 1956, p. 493.

¹ This material is also available as Department of State publication 6394 and may be obtained from the Division of Public Services, Department of State, Washington 25, D. C. See also 21 *Fed. Reg.* 7746.

² BULLETIN of June 4, 1956, p. 941.

stages of 5 percent a year over a 3-year period, but that no stage or reduction may be made effective after June 30, 1958. Consequently there remains authority to reduce rates by only 10 percent below the January 1, 1955, rate in two annual stages of 5 percent each.

In accordance with past practice and the requirements of trade agreements legislation, the committee's notice sets in motion preparations for the negotiations, including opportunity for presentation by interested persons of both written and oral views on possible concessions which may be granted or obtained, and the determination of "peril points" by the United States Tariff Commission on all products on which the United States will consider granting concessions.

The Committee for Reciprocity Information, which will receive the views of interested persons concerning any aspect of the proposed negotiations, has announced that its hearings will open on November 14, 1956. Applications for oral presentation of views and information should be presented to the committee not later than 12 noon, November 8, 1956. Persons desiring to be heard should also submit written briefs or statements to the committee by 12 noon, November 8, 1956. Only those persons will be heard who have presented written briefs or statements and have filed applications to be heard by the dates indicated. Details concerning the submission of briefs and applications to be heard are contained in the committee's notice.

The members of the Committee for Reciprocity Information and the Committee on Trade Agreements are the same. They include a member of the U.S. Tariff Commission and representatives from the Departments of State, the Treasury, Defense, Agriculture, Commerce, Labor, and Interior, and the International Cooperation Administration.

Domestic producers, importers, and other interested persons are invited to present to the Committee for Reciprocity Information views and all possible pertinent information about products on the published list. All views and information will be carefully considered in deciding whether or not a concession should be offered by the United States on each product. Consideration will also be given to all relevant information submitted to the Committee for Reciprocity Information in connection with its hearings in October 1955 and January 1956 in preparation for the Geneva tariff

negotiations. Accordingly, persons who presented information and views at those hearings and who do not desire to modify or supplement such material need not—but may if they wish—repeat their written or oral submissions.

The U.S. Tariff Commission also announced on October 8 that it will hold public hearings beginning November 14, 1956, in connection with its "peril point" investigation, as required by section 3 (a) of the Trade Agreements Extension Act of 1951, on the extent to which U.S. concessions on listed products may be made in the negotiations without causing or threatening serious injury to a domestic industry producing like or directly competitive products. Copies of the notice may be obtained from the Commission. Views and information received by the Tariff Commission in its hearings referred to above will be made available to the Committee for Reciprocity Information for consideration by the Interdepartmental Committee on Trade Agreements. Persons who appear before the Tariff Commission need not—but may if they wish—also appear before the Committee for Reciprocity Information if they apply in accordance with the procedures of that Committee as outlined above.

Persons wishing to suggest items on which the United States might request concessions should present their views to the Committee for Reciprocity Information.

INTERDEPARTMENTAL COMMITTEE ON TRADE AGREEMENTS

Trade-Agreement Negotiations with Cuba under the General Agreement on Tariffs and Trade.

Pursuant to Section 4 of the Trade Agreements Act, approved June 12, 1934, as amended (48 Stat. 945, ch. 474; 65 Stat. 73, ch. 141) and to paragraph 4 of Executive Order 10082 of October 5, 1949 (3 CFR, 1949 Supp., p. 126), notice is hereby given by the Interdepartmental Committee on Trade Agreements of intention to conduct trade-agreement negotiations with the Government of Cuba, under the General Agreement on Tariffs and Trade, for the purpose of negotiating mutually advantageous tariff concessions to be embodied in schedules to the General Agreement.

There is annexed hereto a list of articles imported into the United States to be considered for possible modification of duties and other import

restrictions, imposition of additional import restrictions, or specific continuance of existing customs or excise treatment in the trade agreement negotiations of which notice is given above.

The articles proposed for consideration in the negotiations are identified in the annexed list by specifying the numbers of the paragraphs in tariff schedules of Title I of the Tariff Act of 1930, as amended, in which they are provided for together with the language used in such tariff paragraphs to provide for such articles, except that where necessary the statutory language has been modified by the omission of words or the addition of new language in order to narrow the scope of the original language. Where no qualifying language is used with regard to the type, grade, or value of any listed articles, all types, grades, and values of the article covered by the language used are included.

In the case of any article in the list with respect to which the product of Cuba is now entitled to preferential treatment, a reduction in the rate applicable to the product of Cuba may involve a reduction also in the rate applicable to other contracting parties to the General Agreement, in order to give effect to the provisions of that Agreement limiting increases in margins of preference.

No article will be considered in the negotiations for possible modification of duties or other import restrictions, imposition of additional import restrictions, or specific continuance of existing customs or excise treatment unless it is included, specifically or by reference, in the annexed list or unless it is subsequently included in a supplementary public list. Except where otherwise indicated in the list, only duties imposed under the paragraphs of the Tariff Act of 1930 specified in the list with regard to articles described therein will be considered for a possible decrease, but additional or separate duties or taxes on such articles imposed under any other provisions of law may be bound against increase as an assurance that the concession under the listed paragraph or section will not be nullified.

In the event that an article which as of August 15, 1956, was regarded as classifiable under a description included in the list is excluded therefrom by judicial decision or otherwise prior to the conclusion of the trade-agreement negotiations, the list will nevertheless be considered as including such article.

Pursuant to Section 4 of the Trade Agreements

Act, as amended, and paragraph 5 of Executive Order 10082 of October 5, 1949, information and views as to any aspect of the proposal, including the list of articles, announced in this notice may be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee. Persons interested in exports to Cuba may present their views regarding any tariff or other concessions that might be requested of the Government of Cuba. Any other matters appropriate to be considered in connection with the negotiations proposed above may also be presented.

Public hearings in connection with the "peril point" investigation of the United States Tariff Commission relating to the articles included in the annexed list, pursuant to section 3 of the Trade Agreements Extension Act of 1951, as amended, are the subject of an announcement of this date issued by that Commission.

By direction of the Interdepartmental Committee on Trade Agreements this 8th day of October, 1956.

CARL D. CORSE

Chairman

*Interdepartmental Committee
on Trade Agreements*

LIST OF ARTICLES IMPORTED INTO THE UNITED STATES
PROPOSED FOR CONSIDERATION IN TRADE AGREEMENT
NEGOTIATIONS

Tariff Act of 1930	Schedule 6. Tobacco and Manufactures Of.
<i>Par.</i>	
601	Wrapper tobacco, and filler tobacco when mixed or packed together with more than 35 percentum of wrapper tobacco, all the foregoing, stemmed or unstemmed.
601	Filler tobacco not specially provided for (except cigarette leaf tobacco), stemmed or unstemmed.
603	Scrap tobacco.

COMMITTEE FOR RECIPROCITY INFORMATION

Trade Agreement Negotiations with Cuba under the General Agreement on Tariffs and Trade.

Submission of Information to the Committee for Reciprocity Information.

Closing date for filing applications to be heard and the submission of briefs November 8, 1956.

Public hearings open November 14, 1956.

The Interdepartmental Committee on Trade Agreements has issued on this day a notice of intention to participate in trade-agreement negotiations with the Government of Cuba under the General Agreement on Tariffs and Trade.

Annexed to the notice of the Interdepartmental Committee on Trade Agreements is a list of articles imported into the United States to be considered for possible concessions in the negotiations. The Committee for Reciprocity Information hereby gives notice that all applications for oral presentation of views in regard to the proposed negotiations shall be submitted to the Committee for Reciprocity Information not later than 12:00 noon, November 8, 1956. The application must indicate the product or products on which the individual or groups desire to be heard and an estimate of the time required for oral presentation. All persons who make application to be heard shall also submit to the Committee their views in writing in regard to the foregoing proposal not later than 12:00 noon, November 8, 1956. Such communications shall be addressed to "Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D.C." Fifteen copies of written statements, either typed, printed, or duplicated shall be submitted, of which one copy shall be sworn to.

Written statements submitted to the Committee, except information and business data proffered in confidence, shall be open to inspection by interested persons. Information and business data proffered in confidence shall be submitted on separate pages clearly marked *For Official Use Only of Committee for Reciprocity Information*.

Public hearings will be held before the Committee for Reciprocity Information, at which oral statements will be heard. The first hearing will be at 2:00 p. m. on November 14, 1956, in the Hearing Room in the Tariff Commission Building, 8th and E Streets, N.W., Washington 25, D. C. Witnesses who make application to be heard will be advised regarding the time and place of their individual appearances. Appearances at hearings before the committee may be made only by or on behalf of those persons who have filed written statements and who have within the time prescribed made written application for oral presentation of views. Statements made at the public hearings shall be under oath.

The United States Tariff Commission has today announced public hearings on the import items

appearing in the list annexed to the notice of intention to negotiate to run concurrently with the hearings of the Committee for Reciprocity Information. Oral testimony and written information submitted to the Tariff Commission will be made available to and will be considered by the Interdepartmental Committee on Trade Agreements. Consequently, those whose interests relate only to import products included in the foregoing list, and who appear before the Tariff Commission, need not, but may if they wish, appear before the Committee for Reciprocity Information.

Persons interested in exports may present their views regarding any tariff or other concessions that might be requested of the Government of Cuba. Any other matters appropriate to be considered in connection with the proposed negotiations may also be presented.

Copies of the list attached to the notice of intention to negotiate may be obtained from the Committee for Reciprocity Information at the address designated above and may be inspected at the field offices of the Department of Commerce.

By direction of the Committee for Reciprocity Information this 8th day of October, 1956.

EDWARD YARDLEY,
Secretary,

Committee for Reciprocity Information

President Decides Not To Reopen Escape-Clause Action on Watches

White House press release dated October 5

The President has concurred with the U.S. Tariff Commission's recent finding that no formal investigation should be instituted at this time to determine whether the tariff should be reduced on imports of watches. The President found, with the Tariff Commission, that there is not sufficient reason at this time to reopen the escape-clause action which resulted 2 years ago in an increase in the duty on imports of watches. The President's decision means that the increased rate of duty established in July 1954 as the result of escape-clause action¹ will continue to apply without reduction or other modification.

The President's action was taken after various departments and agencies of the executive branch had been consulted. The Tariff Commission's

¹ BULLETIN of Aug. 23, 1954, p. 274.

study was made pursuant to Executive Order 10401, which requires periodic review of affirmative actions taken under the escape clause. This was the Tariff Commission's first such periodic review of the 1954 watch tariff increase. The Commission's report was submitted to the President on July 25, 1956.²

Current Treaty Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952.³
Ratification deposited: Israel, September 3, 1956.

Aviation

Protocol amending articles 48 (a), 49 (e), and 61 of the convention on international civil aviation (TIAS 1591) by providing that sessions of the Assembly of the International Civil Aviation Organization shall be held not less than once in 3 years instead of annually. Done at Montreal June 14, 1954.⁴

Ratifications deposited: Laos, June 4, 1956; New Zealand, June 8, 1956; Japan, June 21, 1956; Venezuela, July 6, 1956; Thailand, July 18, 1956; Argentina, September 21, 1956.

Consuls

Convention defining the duties, rights, prerogatives and immunities of consular agents. Signed at Habana February 20, 1928. Entered into force September 3, 1929. 47 Stat. 1976.

Ratification deposited: El Salvador, September 11, 1956.

Copyright

Universal copyright convention. Done at Geneva September 6, 1952. Entered into force September 16, 1955. TIAS 3324.

Ratification deposited: Portugal, September 25, 1956.

Labor

Convention (No. 58) fixing minimum age for admission of children to employment at sea. Adopted at Geneva October 24, 1936. Entered into force April 11, 1939. 54 Stat. 1705.

Ratifications deposited: Union of Soviet Socialist Republics, August 10, 1956; Iceland, August 21, 1956.

Safety at Sea

Convention on safety of life at sea. Signed at London June 10, 1948. Entered into force November 19, 1952. TIAS 2495.

Acceptance deposited: Hungary, August 15, 1956.

Slave Trade

Convention to suppress the slave trade and slavery. Signed at Geneva September 25, 1926. Entered into force March 9, 1927. 46 Stat. 2183.

Accession deposited: Byelorussian Soviet Socialist Republic, September 13, 1956.

² Copies may be obtained from the U.S. Tariff Commission, Washington 25, D.C.

³ Not in force for the United States.

⁴ Not in force.

BILATERAL

Ecuador

Agreement amending agricultural commodities agreement of October 7, 1955 (TIAS 3391), to provide for additional purchases of wheat and wheat flour. Effected by exchange of notes at Washington October 9, 1956. Entered into force October 9, 1956.

Germany

Agreement for reimbursable military procurement under section 106 of the Mutual Security Act of 1954, as amended (68 Stat. 832, 833; 69 Stat. 283; 70 Stat. 555). Effected by exchange of notes at Washington October 8, 1956. Entered into force October 8, 1956.

DEPARTMENT AND FOREIGN SERVICE

Recess Appointments

The President on October 11 appointed Carl W. Strom to be Ambassador to Cambodia (press release 533 dated October 11).

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Atomic Energy—Cooperation for Civil Uses. TIAS 3608. 3 pp. 5¢.

Agreement between the United States of America and the United Kingdom of Great Britain and Northern Ireland, amending agreement of June 15, 1955. Signed at Washington June 13, 1956. Entered into force July 16, 1956.

Mexican Agricultural Workers. TIAS 3609. 30 pp. 15¢.

Agreement between the United States of America and Mexico, relating to agreement of August 11, 1951, as amended and extended. Exchange of notes—Dated at Mexico June 29, 1956. Entered into force June 29, 1956.

Technical Cooperation—Water Resources and Well Drilling Program. TIAS 3610. 4 pp. 5¢.

Agreement between the United States of America and Ethiopia, amending and extending agreement of June 23 and 24, 1952, as amended and extended. Exchange of notes—Dated at Addis Ababa June 26 and 27, 1956. Entered into force June 27, 1956; operative retroactively May 11, 1956.

American Republics. Advancing the Security of the Free World (excerpts from report on mutual security program)	642
Asia	
Advancing the Security of the Free World (excerpts from report on mutual security program)	642
U.S. Economic Policy and Programs in the Far East (Jones)	635
Atomic Energy. Correspondence With U.S.S.R. on Peaceful Uses of Atomic Energy	620
Austria. Controls Over Dollar Imports Relaxed by Austria	633
Cambodia. Recess Appointments (Strom)	650
Communism. U.S. Economic Policy and Programs in the Far East (Jones)	635
Congress, The. Advancing the Security of the Free World (excerpts from report on mutual security program)	642
Cuba. Notice of Intention To Participate in Limited Trade Agreement Negotiations With Cuba	646
Department and Foreign Service. Recess Appointments (Strom)	650
Economic Affairs	
Constantinople Convention of 1888	617
Controls Over Dollar Imports Relaxed by Austria	633
IFC Designated as Public International Organization (text of Executive order)	634
Large Tankers To Be Built for Oil Transportation (Eisenhower memorandum)	619
Notice of Intention To Participate in Limited Trade Agreement Negotiations With Cuba	646
President Decides Not To Reopen Escape-Clause Action on Watches	649
U.S. Economic Policy and Programs in the Far East (Jones)	635
Egypt	
Constantinople Convention of 1888	617
The Suez Question in the Security Council (Dulles, text of resolution)	611
Europe. Advancing the Security of the Free World (excerpts from report on mutual security program)	642
Germany	
Need for Reunifying Germany Through Free Elections (text of notes)	632
U.S.-German Procurement Agreement	633
Indonesia. U.S. Economic Policy and Programs in the Far East (Jones)	635
International Organizations and Meetings	
IFC Designated as Public International Organization (text of Executive order)	634
United States To Participate in Tangier Conference	633
Military Affairs. U.S.-German Procurement Agreement	633
Morocco. United States To Participate in Tangier Conference	633
Mutual Security	
Advancing the Security of the Free World (excerpts from report on mutual security program)	642
U.S. Economic Policy and Programs in the Far East (Jones)	635
U.S.-German Procurement Agreement	633

North Atlantic Treaty Organization. Advancing the Security of the Free World (excerpts from report on mutual security program)	642
Philippines. U.S. Economic Policy and Programs in the Far East (Jones)	635
Presidential Documents	
IFC Designated as Public International Organization	634
Large Tankers To Be Built for Oil Transportation	619
Publications. Recent Releases	650
Treaty Information	
Current Actions	650
U.S.-German Procurement Agreement	633
Turkey. Constantinople Convention of 1888	617
United Nations	
Special Committee on Question of Defining Aggression	634
The Suez Question in the Security Council (Dulles, text of resolution)	611
U. S. S. R.	
Correspondence With U.S.S.R. on Peaceful Uses of Atomic Energy	620
Need for Reunifying Germany Through Free Elections (text of notes)	632
Viet-Nam. U.S. Economic Policy and Programs in the Far East (Jones)	635

Name Index

Cannon, Cavendish	633
Dulles, Secretary	611
Eisenhower, President	619, 634
Jones, Howard P	635
Sanders, William	634
Strom, Carl W	650

Check List of Department of State Press Releases: October 8-14

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.
Press release issued prior to October 8 which appears in this issue of the BULLETIN is No. 527 of October 6.

No.	Date	Subject
528	10/8	U. S. participation in Tangier conference (rewrite).
529	10/8	Committee on defining aggression (rewrite).
*530	10/9	Negotiations with Mexico on standard broadcasting.
531	10/10	Texts of notes on German reunification.
532	10/11	Relaxation of Austrian controls over imports.
533	10/11	Strom appointed Ambassador to Cambodia (rewrite).
†534	10/12	Note to Soviets on 1954 plane case.
*535	10/12	Hoover: "The Challenge to Engineering."
536	10/12	Procurement agreement with Germany.
*537	10/12	Educational exchange.

* Not printed.

† Held for a later issue of the BULLETIN.



the
Department
of
State

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)

The Quest for Peace

This 35-page album-style pamphlet presents quotations from President Eisenhower and Secretary of State Dulles highlighting the major steps in the search for peace through the security and unity of the free world.

The quotations from the President and the Secretary of State set forth problem and action on the following subjects:

- | | |
|-------------------------|--|
| Atoms for Peace | Latin America |
| Austrian Treaty | 1. Communist Penetration in Latin America |
| Bipartisanship | 2. Economic Development in Latin America |
| Captive Peoples | 3. Organization of American States |
| Change of Soviet Policy | 4. Strengthening Inter-American Friendship |
| China | Less Developed Countries— |
| Deterrence of War | Target of Soviet Communism |
| European Unity | SEATO (Southeast Asia Treaty |
| Foreign Trade | Organization) |
| Germany Enters NATO | Spanish Bases |
| Indochina | Trieste Settlement |
| International Communism | |
| Iran | |
| Korea | |

Copies of *The Quest for Peace* may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 40 cents each.

Publication 6391

40 cents

Order Form

to: Supt. of Documents
Govt. Printing Office
Washington 25, D.C.

Enclosed find:

\$
(cash, check, or
money order).

Please send me copies of *The Quest for Peace*.

Name:

Street Address:

City, Zone, and State:

AVOID
O

E